

Union County Workforce Development Board
WIOA Title I Procurement Conflict of Interest Policy

Policy Number:	UCWDB-2026-06
Effective Date:	January 28, 2026
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Section 1: Purpose and Authority

1.1 Purpose

This policy establishes clear guidelines and procedures to prevent any actual or perceived conflicts of interest that could compromise the objectivity and impartiality of the WIOA Title I proposal review and procurement process. The policy ensures that all procurement activities conducted by or on behalf of the Union County Workforce Development Board (UCWDB) maintain the highest standards of integrity, transparency, and compliance with applicable federal, state, and local requirements.

As stated in **NJDOL WD-PY24-9**, competitive procurement serves as a critical accountability mechanism for LWDBs, offering opportunities to develop Requests for Proposals (RFPs) that align with local strategies and priorities, select the most qualified providers, develop and oversee contracts that support high quality service integration and delivery, and set parameters for monitoring and oversight of contract providers.

1.2 Applicability

This policy applies to all procurement activities involving the following WIOA Title I programs:

- WIOA Title I Adult Program
- WIOA Title I Dislocated Worker Program
- WIOA Title I Youth Program
- WorkFirst New Jersey (WFNJ) Employment Services (TANF/SNAP/ABAWD/GA)

This policy applies to the following entities and individuals:

- Union County Workforce Development Board members and officers
- County of Union personnel employed directly or indirectly through WIOA or WFNJ funds
- All individuals participating in proposal evaluation processes (Evaluation Committee members)
- Sub-recipients and contractors awarded WIOA or WFNJ funding
- American Job Center Partners (AJCPs) participating in competitive procurement

1.3 Regulatory Authority and Legal Basis

A. Federal Statutes and Regulations:

Citation	Description
WIOA Section 121(d)(4)	Conflict of interest requirements for workforce development boards
20 CFR 679.370	Local Workforce Development Board functions

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20 CFR 679.430	Local board conflict of interest requirements
20 CFR 683.200(c)(5)	Conflict of interest disclosure requirements
2 CFR 200.112	Conflict of interest provisions under Uniform Guidance
2 CFR 200.318(c)(1)	General procurement standards - conflict of interest
2 CFR 200.319(a)	Competition requirements for procurement
2 CFR 200.320	Methods of procurement - full and open competition

B. State Statutes and Regulations:

Citation	Description
N.J.S.A. 40A:9-22.1 et seq.	New Jersey Local Government Ethics Law
N.J.A.C. 5:34-4.3(d)-(g)	Competitive contracting evaluation committee and conflict of interest certification requirements
N.J.S.A. 52:34-19	State conflict of interest requirements for public contracts
NJ Uniform Code of Ethics	Standards of conduct for public employees

C. State and Federal Guidance:

Citation	Description
WD-PY24-9	NJDOL Competitive Procurement of Title I One Stop Operator, Career Services and Youth Services (June 11, 2025)
WD-PY21-6	NJDOL Local Governance Policy
TEGL 15-16	Competitive Selection of One-Stop Operators
TEGL 21-16	Third WIOA Title I Youth Formula Program Guidance

D. Local Authority:

The UCWDB is authorized to establish this policy pursuant to the **Workforce Innovation and Opportunity Act (WIOA)**, the **New Jersey Local Government Ethics Law (N.J.S.A. 40A:9-22.1 et seq.)**, **N.J.A.C. 5:34-4.3**, and **NJDOL WD-PY24-9**. The UCWDB Director serves as the authorized agent for all procurement conflict of interest matters.

Section 2: Core Principles

2.1 Fundamental Standards

The following non-negotiable standards govern all procurement activities subject to this policy:

2.1.1 Impartiality: All procurement evaluations shall be conducted objectively, free from personal bias, favoritism, or improper influence.

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2.1.2 Transparency: Procurement processes shall be open, documented, and conducted in compliance with all applicable laws and regulations.

2.1.3 Fair Competition: All qualified proposers shall have an equal opportunity to compete for contracts without undue advantage to any party.

2.1.4 Accountability: All individuals involved in procurement shall be held accountable for compliance with conflict of interest requirements.

2.1.5 Confidentiality: All Evaluation Committee proceedings, bid proposals, and writings, including email exchanges, shall be held in strict confidence.

2.2 Uniform Guidance Compliance

Per **2 CFR 200.318(c)(1)**, no employee, officer, or agent of the UCWDB may participate in the selection, award, or administration of a contract supported by a federal award if they have a real or apparent conflict of interest.

2.3 Firewall Requirements

Per **NJDOL WD-PY24-9**, proper firewalls must be in place to ensure the transparency and integrity of the procurement process. The following firewall requirements apply:

- No supervisory relationship or overlap shall exist between (1) LWDB staff and (2) contracted operational entities
- LWDBs must be able to perform functions outlined in 20 CFR 679.370 without a conflict of interest
- Where governance and operational activities intersect, LWDBs must demonstrate that governance functions are not compromised
- Per **20 CFR 683.200(c)(5)(ii)**, membership on the State WDB, LWDB, or LWDB committee, and/or receipt of WIOA funds is not in and of itself a conflict of interest; however, any potential conflict must be documented and disclosed

2.4 Local Government Ethics Standards

Per **N.J.S.A. 40A:9-22.5**, local government officers and employees shall not:

- Have an interest in a business organization in substantial conflict with their public duties
- Use their official position to secure unwarranted privileges or advantages
- Act in matters where they have direct or indirect financial or personal involvement that could impair objectivity
- Undertake employment that might prejudice their independence of judgment
- Solicit or accept gifts, favors, or things of value intended to influence official duties
- Use non-public information for personal financial gain
- Represent any party other than the local government in matters pending before their agency

Section 3: Evaluation Committee Requirements

3.1 Committee Formation

Per **N.J.A.C. 5:34-4.3(d)(2)**, the Evaluation Committee is formed prior to the receipt of bid proposals to ensure there is no perception that the Committee was formed to favor a particular bidder:

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- The authorized agent (WDB Director) may appoint a committee to assist in the evaluation of proposals
- Names of committee members shall not be publicly disclosed until the evaluation report is presented to the governing body
- Committee members shall be familiar with the need for the goods or services in the RFP
- Committee members may conduct their work separately or together
- No more than one less than the majority of the governing body may serve on a committee
- The committee may use advisors as deemed necessary, subject to conflict-of-interest provisions
- Committee meetings are advisory in nature and not subject to the Open Public Meetings Act (N.J.S.A. 10:4-1 et seq.)

3.2 Evaluator Eligibility

To be eligible to serve as a proposal evaluator, an individual must:

- Possess relevant subject matter expertise appropriate to the procurement
- Have no known or perceived conflict of interest with any potential bidder or subcontractor
- Complete and submit the Evaluator's Certification Form prior to reviewing proposals
- Sign the Evaluation Committee Instructions acknowledging receipt of the NJ Uniform Code of Ethics
- Agree to maintain confidentiality of all proposal information and evaluation proceedings

3.3 Criteria Requiring Recusal

Per N.J.A.C. 5:34-4.3(f), a person has a conflict of interest with a proposal if that person or their spouse, parent, or child would be in violation of the Local Government Ethics Law. An evaluator must recuse themselves if any of the following conditions exist:

#	Criterion	Description
1	Financial Interest	Evaluator or immediate family has ownership or control of more than 10% of profits, assets, or stock in a proposing organization
2	Employment	Evaluator or immediate family is employed by, receives compensation from, or serves on the board of a proposing organization
3	Prospective Employment	Evaluator is engaged in negotiations for prospective employment or association with any proposer
4	Personal Relationship	Close personal relationship with any owner, officer, director, or key personnel of a proposing organization
5	Prior Involvement	Provided substantial assistance in preparing any organization's proposal
6	Gifts or Favors	Received any gift, favor, loan, or thing of value from a proposer within the past 12 months
7	Business Transaction	Engaged in business transactions with a proposer within the past 12 months that could impair objectivity
8	Bias or Prejudice	Has expressed personal bias for or against any proposing organization

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9	Other Conflicts	Any other circumstance reasonably expected to impair objectivity or independence of judgment
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Section 4: Operational Procedures and Documentation Requirements

4.1 Pre-Evaluation Certification Process

Per **N.J.A.C. 5:34-4.3(f)** and **(g)**, the following mandatory certification process applies to all persons participating in proposal evaluation:

Step	Action	Requirements
1	Committee Formation	Director forms Evaluation Committee PRIOR to receipt of proposals
2	Instructions Distribution	Each evaluator receives Evaluation Committee Instructions (Attachment D) and NJ Uniform Code of Ethics
3	Disclosure of Proposers	Director provides evaluators with list of all organizations submitting proposals
4	Self-Assessment	Each evaluator assesses affiliations and financial interests of self and family against recusal criteria
5	Certification Execution	Evaluator completes and signs Evaluator's Certification Form (Attachment B)
6	Instructions Acknowledgment	Evaluator signs Evaluation Committee Instructions acknowledging receipt of ethics materials
7	Filing	All signed forms filed with Director PRIOR to receiving any proposal materials
8	Verification	Director verifies receipt of all certifications before distributing proposal materials
9	Proposal Distribution	Only after certification is filed may evaluator receive and review proposal documents

4.2 Evaluation Committee Conduct Requirements

Per the Evaluation Committee Instructions, committee members must adhere to the following principles of conduct:

- Abide by the applicable provisions of the NJ Uniform Code of Ethics
- Conduct themselves in a professional manner at all times
- Be objective, impartial, unbiased, and fair in all aspects of the evaluation process
- Hold all Evaluation Committee proceedings, bid proposals and writings in strict confidence
- Immediately make known to the WDB Director any real or perceived conflict of interest
- Have no direct or indirect personal financial interest in any bidder, or proposed subcontractor thereof

4.3 Recusal Procedures

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When an evaluator identifies a conflict of interest:

1. Complete the Recusal Notification Form (Attachment C)
2. Submit to WDB Director BEFORE receiving any proposal materials
3. Director determines whether full or partial recusal is appropriate
4. If partial recusal, evaluator receives only non-conflicted proposals
5. Director may appoint substitute evaluator as needed

4.4 Documentation Requirements

Per **N.J.A.C. 5:34-4.3(g)**, the Evaluator’s Certification shall include the following certification language:

“I hereby certify that I have reviewed the conflict of interest standards in the Local Government Ethics Law or the School Ethics Act, as appropriate, and that I do not have a conflict of interest with respect to the evaluation of this proposal. I further certify that I am not engaged in any negotiations or arrangements for prospective employment or association with any of those submitting proposals or their parent or subsidiary organization.”

4.5 Publicly Available Procurement Documents

Per **NJDOL WD-PY24-9**, the following documents must be publicly available on the LWDB website:

- Request for Proposals (RFP)
- Public Notice of RFP
- Evaluation Report and Award Recommendation
- Public Notice of Award
- Written conflict of interest policies (this policy)

Section 5: Approval Authority

5.1 Conflict of Interest Determinations

Action	Authority	Timeframe
Accept Evaluator Certification	WDB Director	Before evaluation
Approve Full Recusal	WDB Director	5 business days
Approve Partial Recusal	WDB Director	5 business days
Appoint Substitute Evaluator	WDB Director	As needed
Exclude Conflicted Scores	WDB Director	Immediately
WDB Member Abstention (voting)	Self-declared by Member	At time of vote

5.2 WDB Member Voting Conflicts

Members of the Union County Workforce Development Board of Directors who have been awarded any workforce funding referenced herein, or who have any conflict of interest as defined in this policy, shall abstain from voting on matters of conflict. Abstentions shall be recorded in the meeting minutes.

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Section 6: Reporting and Record Retention

6.1 Annual Submission Requirements

Per **NJDOL WD-PY24-9**, LWDBs must submit current procurement and contract information to NJDOL's Program Oversight and Development Unit every year as part of annual monitoring processes. Required submissions include:

- All received proposals
- Contract and Scope of Services
- Renewal materials
- Documentation demonstrating appropriate firewalls and conflict of interest policies are in place

6.2 Record Retention

Per **2 CFR 200.334** and **N.J.S.A. 40A:9-22.25**, all conflict of interest documentation shall be retained as follows:

Document Type	Retention Period
Evaluator Certification Forms	Minimum 5 years from date of filing
Recusal Notification Forms	Minimum 5 years from date of filing
Evaluation Committee Instructions	Minimum 5 years from date of filing
Procurement files (including COI docs)	3 years from final expenditure report or resolution of audit findings, whichever is later

Section 7: Internal Controls

7.1 Separation of Responsibilities

Role	Responsibility
WDB Director	Procurement facilitation, certification collection, recusal processing; NO proposal evaluation or scoring
Evaluators	Proposal review and scoring using standardized evaluation tool; NO procurement administration
WDB Board Members	Contract approval; abstention required on matters of conflict
Grant Accountant	Fiscal oversight; independent from programmatic decisions

7.2 Control Procedures

7.2.1 Verification Control: No evaluator may receive proposal materials until certification and instructions acknowledgment are on file.

7.2.2 Independence Control: Evaluators shall conduct reviews independently without discussing scores until consensus meeting.

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7.2.3 Documentation Control: All certifications, instructions, and recusals shall be filed chronologically with date/time stamps.

7.2.4 Confidentiality Control: Evaluator names shall not be publicly disclosed until evaluation report is presented to governing body.

7.2.5 Firewall Control: Documentation must demonstrate no supervisory overlap between LWDB staff and contracted operational entities.

Section 8: Equity and Accessibility

8.1 Non-Discrimination

This policy shall be administered without discrimination based on race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, sex stereotyping, transgender status, and gender identity), national origin, age, disability, genetic information, political affiliation or belief, or status as a parent, in compliance with **WIOA Section 188** and **29 CFR Part 38**.

8.2 Accessibility

All conflict of interest forms and procedures shall be made available in accessible formats upon request, in compliance with the **Americans with Disabilities Act (ADA)** and **Section 504 of the Rehabilitation Act**.

8.3 Language Access

Individuals with limited English proficiency shall be provided meaningful access to conflict of interest procedures, including translation of forms and interpretation services as needed, in compliance with **Executive Order 13166**.

8.4 Equal Opportunity for Proposers

The conflict of interest policy is designed to ensure that all qualified proposers have an equal opportunity to compete for contracts, free from bias, favoritism, or improper influence.

Section 9: Definitions

Term	Definition
Authorized Agent	The WDB Director, designated to receive and file conflict of interest certifications per N.J.A.C. 5:34-4.3
Business Organization	Any corporation, partnership, firm, enterprise, franchise, association, trust, sole proprietorship, union, or other legal entity (N.J.S.A. 40A:9-22.3)
Conflict of Interest	A situation in which an individual's private interests may compromise or appear to compromise their professional judgment or actions in their official capacity
Evaluation Committee	A committee appointed by the authorized agent to assist in the evaluation of proposals per N.J.A.C. 5:34-4.3(d)(2)
Evaluator	Any individual who reviews, scores, or provides recommendations on proposals submitted in response to a competitive procurement
Firewall	Administrative separation ensuring no supervisory relationship or overlap between governance and operational entities (WD-PY24-9)

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Immediate Family	Spouse or dependent child residing in the same household (N.J.S.A. 40A:9-22.3(i))
Interest	Ownership or control of more than 10% of the profits, assets, or stock of a business organization (N.J.S.A. 40A:9-22.3(d))
Partial Recusal	Recusal from evaluating specific proposal(s) where conflict exists, while continuing to evaluate non-conflicted proposals
Proposer/Bidder	Any organization that submits a proposal in response to a competitive procurement
Recusal	The act of removing oneself from participation in an evaluation due to a conflict of interest
UCWDB	Union County Workforce Development Board
WFNJ	WorkFirst New Jersey, including TANF, SNAP, ABAWD, and GA employment services programs
WIOA	Workforce Innovation and Opportunity Act (Public Law 113-128)

Section 10: References

10.1 Federal Statutes and Regulations

- Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128
- 20 CFR Part 679 – Statewide and Local Governance
- 20 CFR Part 683 – Administrative Provisions under Title I of WIOA
- 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

10.2 USDOL Guidance

- TEGL 15-16: Competitive Selection of One-Stop Operators
- TEGL 21-16: Third WIOA Title I Youth Formula Program Guidance

10.3 State Guidance

- NJDOL WD-PY24-9: Competitive Procurement of Title I One Stop Operator, Career Services and Youth Services
- NJDOL WD-PY21-6: Local Governance Policy
- N.J.S.A. 40A:9-22.1 et seq. – Local Government Ethics Law
- N.J.A.C. 5:34-4.3 – Competitive Contracting Requirements
- New Jersey Uniform Code of Ethics

Section 11: Attachments

The following attachments are incorporated by reference into this policy:

Attachment A: New Jersey Statutes Title 40A:9-22.1 et seq. (Local Government Ethics Law)

Attachment B: Evaluator’s Certification Form

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Attachment C: Recusal Notification Form

Attachment D: Evaluation Committee Instructions

Attachment E: Proposal Evaluation Tool (Sample)

This policy has been developed in compliance with the Workforce Innovation and Opportunity Act (WIOA), federal regulations at 20 CFR Parts 679 and 683, Uniform Administrative Requirements at 2 CFR Part 200, and all applicable U.S. Department of Labor Training and Employment Guidance Letters (TEGLs). This policy is subject to modification based on changes to federal or state law, regulations, or guidance.

Section 12: Inquiries and Technical Assistance

Questions regarding this policy should be directed to:

Union County Workforce Development Board

Meredith Barracato, MPA

Policy and Strategic Planning Advisor

Email: meredith.barracato@ucnj.org

For state-level technical assistance, contact:

New Jersey Department of Labor and Workforce Development

WIOA Policy and Operations Division

Email: WIOAPOD@dol.nj.gov



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 803
TRENTON, NJ 08625-0803

LOCAL GOVERNMENT ETHICS LAW

New Jersey Statute
N.J.S.A. 40A:9-22.1 et seq.

and

Adopted Rules and Complaint Procedures
N.J.A.C. 5:35-1.1 et seq.

NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
Division of Local Government Services
Local Finance Board
<http://www.state.nj.us/dca/divisions/dlgs/programs/ethics.html>

(Updated December 2015)



LOCAL GOVERNMENT ETHICS LAW

N.J.S.A. 40A:9-22.1 et seq.

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40A:9-22.1 Local government ethics law; short title

This act shall be known and may be cited as the “Local Government Ethics Law.”

L. 1991, c. 29, § 1.

40A:9-22.2 Legislative findings and declaration

The Legislature finds and declares that:

- a. Public office and employment are a public trust;
- b. The vitality and stability of representative democracy depend upon the public’s confidence in the integrity of its elected and appointed representatives;
- c. Whenever the public perceives a conflict between the private interests and the public duties of a government officer or employee, that confidence is imperiled;
- d. Governments have the duty both to provide their citizens with standards by which they may determine whether public duties are being faithfully performed, and to apprise their officers and employees of the behavior which is expected of them while conducting their public duties; and
- e. It is the purpose of this act to provide a method of assuring that standards of ethical conduct and financial disclosure requirements for local government officers and employees shall be clear, consistent, uniform in their application, and enforceable on a Statewide basis, and to provide local officers or employees with advice and information concerning possible conflicts of interest which might arise in the conduct of their public duties.

L. 1991, c. 29, § 2.

40A:12-22.3 Definitions

As used in this act:

- a. “Board” means the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs;
- b. “Business organization” means any corporation, partnership, firm, enterprise, franchise, association, trust, sole proprietorship, union or other legal entity;
- c. “Governing body” means, in the case of a municipality, the commission, council, board or body, by whatever name it may be known, having charge of the finances of the municipality, and, in the case of a county, the board of chosen freeholders, or, in the

case of a county having adopted the provisions of the “Optional County Charter Law,” P.L.1972, c.154 (C.40:41A-1 et seq.), as defined in the form of government adopted by the county under that act;

d. “Interest” means the ownership or control of more than 10% of the profits, assets or stock of a business organization but shall not include the control of assets in a nonprofit entity or labor union;

e. “Local government agency” means any agency, board, governing body, including the chief executive officer, bureau, division, office, commission or other instrumentality within a county or municipality, and any independent local authority, including any entity created by more than one county or municipality, which performs functions other than of a purely advisory nature, but shall not include a school board;

f. “Local government employee” means any person, whether compensated or not, whether part-time or full-time, employed by or serving on a local government agency who is not a local government officer, but shall not mean any employee of a school district;

g. “Local government officer” means any person whether compensated or not, whether part-time or full-time: (1) elected to any office of a local government agency; (2) serving on a local government agency which has the authority to enact ordinances, approve development applications or grant zoning variances; (3) who is a member of an independent municipal, county or regional authority; or (4) who is a managerial executive employee of a local government agency, as defined in rules and regulations adopted by the Director of the Division of Local Government Services in the Department of Community Affairs pursuant to the “Administrative Procedure Act,” P.L. 1968, c. 410 (C.52:14B-1 et seq.), but shall not mean any employee of a school district or member of a school board;

h. “Local government officer or employee” means a local government officer or a local government employee;

i. “Member of immediate family” means the spouse or dependent child of a local government officer or employee residing in the same household.

L. 1991, c. 29, § 3. Amended by L. 2015, c. 95, § 21, eff. Aug. 10, 2015.

40A:9-22.4 Local Finance Board; jurisdiction

The Local Finance Board in the Division of Local Government Services in the Department of Community Affairs shall have jurisdiction to govern and guide the conduct of local government officers or employees regarding violations of the provisions of this act who are not otherwise regulated by a county or municipal code of ethics promulgated by a county or municipal ethics board in accordance with the provisions of this act. Local government officers or employees serving a local government agency created by more than one county or municipality and officers

or employees of county colleges established pursuant to N.J.S. 18A:64A-1 et seq. shall be under the jurisdiction of the board. The board in interpreting and applying the provisions of this act shall recognize that under the principles of democracy, public officers and employees cannot and should not be expected to be without any personal interest in the decisions and policies of government; that citizens who are government officers and employees have a right to private interests of a personal, financial and economic nature; and that standards of conduct shall distinguish between those conflicts of interest which are legitimate and unavoidable in a free society and those conflicts of interest which are prejudicial and material and are, therefore, corruptive of democracy and free society.

L. 1991, c. 29, §4. Amended by L. 1995, c. 21.

40A:9-22.5 Code of ethics for local government officers or employees under jurisdiction of Local Finance Board

Local government officers or employees under the jurisdiction of the Local Finance Board shall comply with the following provisions:

- a. No local government officer or employee or member of his immediate family shall have an interest in a business organization or engage in any business, transaction, or professional activity, which is in substantial conflict with the proper discharge of his duties in the public interest;
- b. No independent local authority shall, for a period of one year next subsequent to the termination of office of a member of that authority:
 - (1) award any contract which is not publicly bid to a former member of that authority;
 - (2) allow a former member of that authority to represent, appear for or negotiate on behalf of any other party before that authority; or
 - (3) employ for compensation, except pursuant to open competitive examination in accordance with Title 11A of the New Jersey Statutes and the rules and regulations promulgated pursuant thereto, any former member of that authority.

The restrictions contained in this subsection shall also apply to any business organization in which the former authority member holds an interest.

- c. No local government officer or employee shall use or attempt to use his official position to secure unwarranted privileges or advantages for himself or others;
- d. No local government officer or employee shall act in his official capacity in any matter where he, a member of his immediate family, or a business organization in

which he has an interest, has a direct or indirect financial or personal involvement that might reasonably be expected to impair his objectivity or independence of judgment;

e. No local government officer or employee shall undertake any employment or service, whether compensated or not, which might reasonably be expected to prejudice his independence of judgment in the exercise of his official duties;

f. No local government officer or employee, member of his immediate family, or business organization in which he has an interest, shall solicit or accept any gift, favor, loan, political contribution, service, promise of future employment, or other thing of value based upon an understanding that the gift, favor, loan, contribution, service, promise, or other thing of value was given or offered for the purpose of influencing him, directly or indirectly, in the discharge of his official duties. This provision shall not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office, if the local government officer has no knowledge or reason to believe that the campaign contribution, if accepted, was given with the intent to influence the local government officer in the discharge of his official duties;

g. No local government officer or employee shall use, or allow to be used, his public office or employment, or any information, not generally available to the members of the public, which he receives or acquires in the course of and by reason of his office or employment, for the purpose of securing financial gain for himself, any member of his immediate family, or any business organization with which he is associated;

h. No local government officer or employee or business organization in which he has an interest shall represent any person or party other than the local government in connection with any cause, proceeding, application or other matter pending before any agency in the local government in which he serves. This provision shall not be deemed to prohibit one local government employee from representing another local government employee where the local government agency is the employer and the representation is within the context of official labor union or similar representational responsibilities;

i. No local government officer shall be deemed in conflict with these provisions if, by reason of his participation in the enactment of any ordinance, resolution or other matter required to be voted upon or which is subject to executive approval or veto, no material or monetary gain accrues to him as a member of any business, profession, occupation or group, to any greater extent than any gain could reasonably be expected to accrue to any other member of such business, profession, occupation or group;

j. No elected local government officer shall be prohibited from making an inquiry for information on behalf of a constituent, if no fee, reward or other thing of value is promised to, given to or accepted by the officer or a member of his immediate family, whether directly or indirectly, in return therefor; and

k. Nothing shall prohibit any local government officer or employee, or members of his immediate family, from representing himself, or themselves, in negotiations or proceedings concerning his, or their, own interests.

L. 1991, c. 29, § 5.

40A:9-22.6 Financial disclosure statement

a. Local government officers shall annually file a financial disclosure statement. All financial disclosure statements filed pursuant to this act shall include the following information which shall specify, where applicable, the name and address of each source of income and the local government officer's job title:

(1) Each source of income, earned or unearned, exceeding \$2,000 received by the local government officer or a member of his immediate family during the preceding calendar year. Individual client fees, customer receipts or commissions on transactions received through a business organization need not be separately reported as sources of income. If a publicly traded security is the source of income, the security need not be reported unless the local government officer or member of his immediate family has an interest in the business organization;

(2) Each source of fees and honorariums having an aggregate amount exceeding \$250 from any single source for personal appearances, speeches or writings received by the local government officer or a member of his immediate family during the preceding calendar year;

(3) Each source of gifts, reimbursements or prepaid expenses having an aggregate value exceeding \$400 from any single source, excluding relatives, received by the local government officer or a member of his immediate family during the preceding calendar year;

(4) The name and address of all business organizations in which the local government officer or a member of his immediate family had an interest during the preceding calendar year; and

(5) The address and brief description of all real property in the State in which the local government officer or a member of his immediate family held an interest during the preceding calendar year.

b. The Local Finance Board shall prescribe a financial disclosure statement form for filing purposes. For counties and municipalities which have not established ethics boards, the board shall transmit sufficient copies of the forms to the municipal clerk in each municipality and the county clerk in each county for filing in accordance with this act. The municipal clerk shall make the forms available to the local government officers serving the municipality. The county clerk shall make the forms available to the local government officers serving the county.

For counties and municipalities which have established ethics boards, the Local Finance Board shall transmit sufficient copies of the forms to the ethics boards for filing in accordance with this act. The ethics boards shall make the forms available to the local government officers within their jurisdiction.

For local government officers serving the municipality, the original statement shall be filed with the municipal clerk in the municipality in which the local government officer serves. For local government officers serving the county, the original statement shall be filed with the county clerk in the county in which the local government officer serves. A copy of the statement shall be filed with the board. In counties or municipalities which have established ethics boards a copy of the statement shall also be filed with the ethics board having jurisdiction over the local government officer. Local government officers shall file the initial financial disclosure statement within 90 days following the effective date of this act. Thereafter, statements shall be filed on or before April 30th each year, except that each local government officer shall file a financial disclosure statement within 30 days of taking office.

c. All financial disclosure statements filed shall be public records.

d. The Division of Local Government Services in the Department of Community Affairs may establish an electronic filing system for financial disclosure statements required to be filed pursuant to this section.

L. 1991, c. 29, § 6, eff. May 21, 1991. Amended by L. 2008, c. 72, § 1, eff. Sept. 6, 2008. Amended by L. 2015, c. 95; § 22, eff. Aug. 10, 2015.

40A:9-22.7 Powers of Local Finance Board

With respect to its responsibilities for the implementation of the provisions of this act, the Local Finance Board shall have the following powers:

- a. To initiate, receive, hear and review complaints and hold hearings with regard to possible violations of this act;
- b. To issue subpoenas for the production of documents and the attendance of witnesses with respect to its investigation of any complaint or to the holding of a hearing;
- c. To hear and determine any appeal of a decision made by a county or municipal ethics board;
- d. To forward to the county prosecutor or the Attorney General or other governmental body any information concerning violations of this act which may become the subject of criminal prosecution or which may warrant the institution of other legal proceedings by the Attorney General;

- e. To render advisory opinions as to whether a given set of facts and circumstances would constitute a violation of this act;
- f. To enforce the provisions of this act and to impose penalties for the violation thereof as are authorized by this act; and
- g. To adopt rules and regulations pursuant to the “Administrative Procedure Act,” P.L. 1968, c.410 (C.52:14B-1 et seq.) and to do other things as are necessary to implement the purposes of this act.

L. 1991, c. 29, § 7.

40A:9-22.8 Advisory opinions of Local Finance Board

A local government officer or employee not regulated by a county or municipal code of ethics may request and obtain from the Local Finance Board an advisory opinion as to whether any proposed activity or conduct would in its opinion constitute a violation of the provisions of this act. Advisory opinions of the board shall not be made public, except when the board by the vote of two-thirds of all of its members directs that the opinion be made public. Public advisory opinions shall not disclose the name of the local government officer or employee unless the board in directing that the opinion be made public so determines.

L. 1991, c. 29, § 8.

40A:9-22.9 Complaints to Local Finance Board; notice; hearing; decision

The Local Finance Board, upon receipt of a signed written complaint by any person alleging that the conduct of any local government officer or employee, not regulated by a county or municipal code of ethics, is in conflict with the provisions of this act, shall acknowledge receipt of the complaint within 30 days of receipt and initiate an investigation concerning the facts and circumstances set forth in the complaint. The board shall make a determination as to whether the complaint is within its jurisdiction or frivolous or without any reasonable factual basis. If the board shall conclude that the complaint is outside its jurisdiction, frivolous or without factual basis, it shall reduce that conclusion to writing and shall transmit a copy thereof to the complainant and to the local government officer or employee against whom the complaint was filed. Otherwise the board shall notify the local government officer or employee against whom the complaint was filed of the nature of the complaint and the facts and circumstances set forth therein. The officer or employee shall have the opportunity to present the board with any statement or information concerning the complaint which he wishes. Thereafter, if the board determines that a reasonable doubt exists as to whether the local government officer or employee is in conflict with the provisions of this act, the board shall conduct a hearing in the manner prescribed by section 12 of this act, concerning the possible violation and any other facts and circumstances which may have come to the attention of the board with respect to the conduct of the local government officer or employee. The board shall render a decision as to whether the conduct of the officer or employee is in conflict with the provisions of this act. This decision

shall be made by no less than two-thirds of all members of the board. If the board determines that the officer or employee is in conflict with the provisions of this act, it may impose any penalties which it believes appropriate within the limitations of this act. A final decision of the board may be appealed in the same manner as any other final State agency decision.

L. 1991, c. 29, § 9.

40A:9-22.10 Penalties

a. An appointed local government officer or employee found guilty by the Local Finance Board or a county or municipal ethics board of the violation of any provision of P.L. 1991, c. 29 (C.40A:9-22.1 et seq.) or of any code of ethics in effect pursuant to P.L., c. 29 (C.40A:9-22.1 et seq.), 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 of 1999,” P.L. 1999, c. 274 (N.J.S.2A:58-1 et seq.). The board or a county or municipal ethics board shall report its findings to the office or agency having the power of removal or discipline of the appointed local government officer or employee and may recommend that further disciplinary action be taken.

b. An elected local government officer or employee found guilty by the Local Finance Board or a county or municipal ethics board of the violation of any provision of P.L. 1991, c. 29 (C.40A:9-22.1 et seq.) or of any code of ethics in effect pursuant to P.L. 1991, c. 29 (C.40A:9-22.1 et seq.), 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 of 1999,” P.L. 1999, c. 274 (N.J.S.2A:58-1 et seq.).

c. The remedies provided herein are in addition to all other criminal and civil remedies provided under the law.

L. 1991, c. 29, § 10, eff. May 21, 1991. Amended by L. 1999, c. 440; § 101, eff. April 17, 2000.

40A:9-22.11 Disciplinary action

The finding by the Local Finance Board or a county or municipal ethics board that an appointed local government officer or employee is guilty of the violation of the provisions of this act, or of any code of ethics in effect pursuant to this act, shall be sufficient cause for his removal, suspension, demotion or other disciplinary action by the officer or agency having the power of removal or discipline. When a person who is in the career service is charged with violating the provisions of this act or any code of ethics in effect pursuant to this act, the procedure leading to removal, suspension, demotion or other disciplinary action shall be governed by any applicable procedures of Title 11A of the New Jersey Statutes and the rules promulgated pursuant thereto.

L. 1991, c. 29, §11.

40A:9-22.12 Rules and procedures applicable to hearings

All hearings required pursuant to this act shall be conducted in conformity with the rules and procedures, insofar as they may be applicable, provided for hearings by a State agency in contested cases under the "Administrative Procedure Act," P.L.1968, c. 410 (C.52:14B-1 et seq.).

L. 1991, c. 29, § 12.

40A:9-22.13 County ethics boards; members; terms; compensation

a. Each county of the State governed under the provisions of P.L.1972, c.154 (C.40:41A-1 et seq.) may, by ordinance, and the remaining counties may, by resolution establish a county ethics board consisting of six members who are residents of the county, at least two of whom shall be public members. The members of the ethics board shall be appointed by the governing body of the county and no more than one of whom shall be from the same municipality. The members shall be chosen by virtue of their known and consistent reputation for integrity and their knowledge of local government affairs. No more than three members of the ethics board shall be of the same political party.

b. The members of the county ethics board shall annually elect a chairman from among the membership.

c. The members shall serve for a term of five years; except that of the members initially appointed, two of the public members shall be appointed to serve for a term of five years, one member shall be appointed to serve for a term of four years, and the remaining members shall be appointed to serve for a term of three years. Each member shall serve until his successor has been appointed and qualified. Any vacancy occurring in the membership of the ethics board shall be filled in the same manner as the original appointment for the unexpired term.

d. Members of the ethics board shall serve without compensation but shall be reimbursed by the county for necessary expenses incurred in the performance of their duties under this act.

L. 1991, c. 29, § 13.

40A:9-22.14 County ethics board; office; expenses; employees

a. The governing body of the county shall provide the county ethics board with offices for the conduct of its business and the preservation of its records, and shall supply equipment and supplies as may be necessary.

b. All necessary expenses incurred by the county ethics board and its members shall be paid, upon certification of the chairman, by the county treasurer within the limits of funds appropriated by the county governing body by annual or emergency appropriations for those purposes.

c. The county ethics board may appoint employees, including independent counsel, and clerical staff as are necessary to carry out the provisions of this act within the limits of funds appropriated by the county governing body for those purposes.

L. 1991,c. 29, §14.

40A:9-22.15 County code of ethics; promulgation; approval

Within 90 days after the establishment of a county ethics board, that ethics board shall promulgate, by resolution, a county code of ethics for all local government officers and employees serving the county. Local government officers and employees serving a county independent authority shall be deemed to be serving the county for purposes of this act.

The county code of ethics so promulgated shall be either identical to the provisions set forth in section 5 of this act or more restrictive, but shall not be less restrictive. Within 15 days following the promulgation thereof, the county code of ethics, and a notice of the date of the public hearing to be held thereon, shall be published in at least one newspaper circulating within the county and shall be distributed to the county clerk and to the heads of the local government agencies serving the county for circulation among the local government officers and employees serving the county. The county ethics board shall hold a public hearing on the county code of ethics not less than 30 days following its promulgation at which any local government officer or employee serving the county and any other person wishing to be heard shall be permitted to testify. As a result of the hearing, the ethics board may amend or supplement the county code of ethics as it deems necessary. If the county code of ethics is not identical to the provisions set forth in section 5 of this act, the county ethics board shall thereafter submit the county code of ethics to the Local Finance Board for approval. The board shall approve or disapprove a county code of ethics within 60 days following receipt. If the board fails to act within that period, the county code of ethics shall be deemed approved. A county code of ethics requiring board approval shall take effect for all local government officers and employees serving the county 60 days after approval by the board. A county code of ethics identical to the provisions set forth in section 5 of this act shall take effect 10 days after the public hearing thereon. The county ethics board shall forward a copy of the county code of ethics to the county clerk and shall make copies of the county code of ethics available to local government officers and employees serving the county.

L. 1991,c. 29, § 15.

40A:9-22.16 Powers of county ethics board

A county ethics board shall have the following powers:

- a. To initiate, receive, hear and review complaints and hold hearings with regard to possible violations of the county code of ethics or financial disclosure requirements by local government officers or employees serving the county;

- b. To issue subpoenas for the production of documents and the attendance of witnesses with respect to its investigation of any complaint or to the holding of a hearing;
- c. To forward to the county prosecutor or the Attorney General or other governmental body any information concerning violations of the county code of ethics or financial disclosure requirements by local government officers or employees serving the county which may become the subject of criminal prosecution or which may warrant the institution of other legal proceedings by the Attorney General;
- d. To render advisory opinions to local government officers or employees serving the county as to whether a given set of facts and circumstances would constitute a violation of any provision of the county code of ethics or financial disclosure requirements;
- e. To enforce the provisions of the county code of ethics and financial disclosure requirements with regard to local government officers or employees serving the county and to impose penalties for the violation thereof as are authorized by this act; and
- f. To adopt rules and regulations and to do other things as are necessary to implement the purposes of this act.

L. 1991, c. 29, §16.

40A:9-22.17 Advisory opinions of county ethics board

A local government officer or employee serving the county may request and obtain from the county ethics board an advisory opinion as to whether any proposed activity or conduct would in its opinion constitute a violation of the county code of ethics or any financial disclosure requirements. Advisory opinions of the county ethics board shall not be made public, except when the ethics board by the vote of two-thirds of all of its members directs that the opinion be made public. Public advisory opinions shall not disclose the name of the local government officer or employee unless the ethics board in directing that the opinion be made public so determines.

L. 1991, c. 29, § 17.

40A:9-22.18 Complaints to county ethics board; notice; hearing; decision

The county ethics board, upon receipt of a signed written complaint by any person alleging that the conduct of any local government officer or employee serving the county is in conflict with the county code of ethics or any financial disclosure requirements shall acknowledge receipt of the complaint within 30 days of receipt and initiate an investigation concerning the facts and circumstances set forth in the complaint. The ethics board shall make a determination as to whether the complaint is within its jurisdiction or frivolous or without any reasonable factual basis. If the ethics board shall conclude that the complaint is outside its jurisdiction, frivolous or without factual basis, it shall reduce that conclusion to writing and shall transmit a copy thereof

to the complainant and to the local government officer or employee against whom the complaint was filed. Otherwise the ethics board shall notify the local government officer or employee against whom the complaint was filed of the nature of the complaint and the facts and circumstances set forth therein. The officer or employee shall have the opportunity to present the ethics board with any statement or information concerning the complaint which he wishes. Thereafter, if the ethics board determines that a reasonable doubt exists as to whether the local government officer or employee is in conflict with the county code of ethics or any financial disclosure requirements, it shall conduct a hearing in the manner prescribed by section 12 of this act, concerning the possible violation and any other facts and circumstances which may have come to its attention with respect to the conduct of the local government officer or employee. The ethics board shall render a decision as to whether the conduct of the officer or employee is in conflict with the county code of ethics or any financial disclosure requirements. This decision shall be made by no less than two-thirds of all members of the ethics board. If the ethics board determines that the officer or employee is in conflict with the code or any financial disclosure requirements, it may impose any penalties which it believes appropriate within the limitations of this act. A final decision of the ethics board may be appealed to the Local Finance Board within 30 days of the decision.

L. 1991, c. 29, §18.

40A:9-22.19 Municipal ethics board; members; terms; compensation

a. Each municipality of the State may, by ordinance, establish a municipal ethics board consisting of six members who are residents of the municipality, at least two of whom shall be public members. The members of the ethics board shall be appointed by the governing body of the municipality. The members shall be chosen by virtue of their known and consistent reputation for integrity and their knowledge of local government affairs. No more than three members of the ethics board shall be of the same political party.

b. The members of the municipal ethics board shall annually elect a chairman from among the membership.

c. The members shall serve for a term of five years; except that of the members initially appointed, two of the public members shall be appointed to serve for a term of five years, one member shall be appointed to serve for a term of four years, and the remaining members shall be appointed to serve for a term of three years. Each member shall serve until his successor has been appointed and qualified. Any vacancy occurring in the membership of the ethics board shall be filled in the same manner as the original appointment for the unexpired term.

d. Members of the ethics board shall serve without compensation but shall be reimbursed by the municipality for necessary expenses incurred in the performance of their duties under this act.

L. 1991, c. 29, §19.

40A:9-22.20 Municipal ethics board; office; expenses; employees

- a. The governing body of the municipality shall provide the municipal ethics board with offices for the conduct of its business and the preservation of its records, and shall supply equipment and supplies as may be necessary.
- b. All necessary expenses incurred by the municipal ethics board and its members shall be paid, upon certification of the chairman, by the municipal treasurer within the limits of funds appropriated by the municipal governing body by annual or emergency appropriations for those purposes.
- c. The municipal ethics board may appoint employees, including independent counsel, and clerical staff as are necessary to carry out the provisions of this act within the limits of funds appropriated by the municipal governing body for those purposes.

L. 1991, c. 29, § 20.

40A:9-22.21 Municipal code of ethics; promulgation; approval

Within 90 days after the establishment of a municipal ethics board, that ethics board shall promulgate by resolution a municipal code of ethics for all local government officers and employees serving the municipality. Local government officers and employees serving a municipal independent authority shall be deemed to be serving the municipality for purposes of this act.

The municipal code of ethics so promulgated shall be either identical to the provisions set forth in section 5 of this act or more restrictive, but shall not be less restrictive. Within 15 days following the promulgation thereof, the municipal code of ethics, and a notice of the date of the public hearing to be held thereon, shall be published in at least one newspaper circulating within the municipality and shall be distributed to the municipal clerk and to the heads of the local government agencies serving the municipality for circulation among the local government officers and employees serving the municipality. The municipal ethics board shall hold a public hearing on the municipal code of ethics not less than 30 days following its promulgation at which any local government officer or employee serving the municipality and any other person wishing to be heard shall be permitted to testify. As a result of the hearing, the ethics board may amend or supplement the municipal code of ethics as it deems necessary. If the municipal code of ethics is not identical to the provisions set forth in section 5 of this act, the municipal ethics board shall thereafter submit the municipal code of ethics to the Local Finance Board for approval. The board shall approve or disapprove a municipal code of ethics within 60 days following receipt. If the board fails to act within that period, the municipal code of ethics shall be deemed approved. A municipal code of ethics requiring board approval shall take effect for all local government officers and employees serving the municipality 60 days after approval by the board. A municipal code of ethics identical to the provisions set forth in section 5 of this act shall take effect 10 days after the public hearing held thereon. The municipal ethics board shall forward a copy of the municipal code of ethics to the municipal clerk and shall make copies of the

municipal code of ethics available to local government officers and employees serving the municipality.

L. 1991, c. 29, § 21.

40A:9-22.22 Powers of municipal ethics board

A municipal ethics board shall have the following powers:

- a. To initiate, receive, hear and review complaints and hold hearings with regard to possible violations of the municipal code of ethics or financial disclosure requirements by local government officers or employees serving the municipality;
- b. To issue subpoenas for the production of documents and the attendance of witnesses with respect to its investigation of any complaint or to the holding of a hearing;
- c. To forward to the county prosecutor or the Attorney General or other governmental body any information concerning violations of the municipal code of ethics or financial disclosure requirements by local government officers or employees serving the municipality which may become the subject of criminal prosecution or which may warrant the institution of other legal proceedings by the Attorney General;
- d. To render advisory opinions to local government officers or employees serving the municipality as to whether a given set of facts and circumstances would constitute a violation of any provision of the municipal code of ethics or financial disclosure requirements;
- e. To enforce the provisions of the municipal code of ethics and financial disclosure requirements with regard to local government officers or employees serving the municipality and to impose penalties for the violation thereof as are authorized by this act; and
- f. To adopt rules and regulations and to do other things as are necessary to implement the purposes of this act.

L. 1991, c. 29, §22.

40A:9-22.23 Advisory opinions of municipal ethics board

A local government officer or employee serving the municipality may request and obtain from the municipal ethics board an advisory opinion as to whether any proposed activity or conduct would in its opinion constitute a violation of the municipal code of ethics or any financial disclosure requirements. Advisory opinions of the municipal ethics board shall not be made public, except when the ethics board by the vote of two-thirds of all of its members directs that the opinion be made public. Public advisory opinions shall not disclose the name of the local

government officer or employee unless the ethics board in directing that the opinion be made public so determines.

L. 1991, c. 29, § 23.

40A:9-22.24 Complaints to municipal ethics board; notice; hearing; decision

The municipal ethics board, upon receipt of a signed written complaint by any person alleging that the conduct of any local government officer or employee serving the municipality is in conflict with the municipal code of ethics or financial disclosure requirements, shall acknowledge receipt of the complaint within 30 days of receipt and initiate an investigation concerning the facts and circumstances set forth in the complaint. The ethics board shall make a determination as to whether the complaint is within its jurisdiction or frivolous or without any reasonable factual basis. If the ethics board shall conclude that the complaint is outside its jurisdiction, frivolous or without factual basis, it shall reduce that conclusion to writing and shall transmit a copy thereof to the complainant and to the local government officer or employee against whom the complaint was filed. Otherwise the ethics board shall notify the local government officer or employee against whom the complaint was filed of the nature of the complaint and the facts and circumstances set forth therein. The officer or employee shall have the opportunity to present the ethics board with any statement or information concerning the complaint which he wishes. Thereafter, if the ethics board determines that a reasonable doubt exists as to whether the local government officer or employee is in conflict with the municipal code of ethics or any financial disclosure requirements, it shall conduct a hearing in the manner prescribed by section 12 of this act, concerning the possible violation and any other facts and circumstances which may have come to its attention with respect to the conduct of the local government officer or employee. The ethics board shall render a decision as to whether the conduct of the officer or employee is in conflict with the municipal code of ethics or any financial disclosure requirements. This decision shall be made by no less than two-thirds of all members of the ethics board.

If the ethics board determines that the officer or employee is in conflict with the code or any financial disclosure requirements, it may impose any penalties, which it believes, appropriate within the limitations of this act. A final decision of the ethics board may be appealed to the Local Finance Board within 30 days of the decision.

L. 1991, c. 29, § 24.

40A:9-22.25 Preservation of records

All statements, complaints, requests or other written materials filed pursuant to this act, and any rulings, opinions, judgments, transcripts or other official papers prepared pursuant to this act shall be preserved for a period of at least five years from the date of filing or preparation, as the case may be.

L. 1991, c. 29, § 25.

ADOPTED RULES AND COMPLAINT PROCEDURES
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5:35-1.1 Complaints; procedure

- (a) Every complaint alleging that a local government officer or employee, who is not regulated by a county or municipal code of ethics, has violated the Local Government Ethics Law, N.J.S.A. 40A:9-22.1 et seq., shall be in writing and signed by the complainant. However, the Local Finance Board may upon its own initiative initiate a complaint against a local government employee or officer, in which case the summary of the complaint shall be contained in the Board's minutes and the complaint shall proceed, where applicable, in accordance with this subchapter or be transmitted to the appropriate county or municipal ethics board.
- (b) Complaints shall:
 - 1. State the point of the Local Government Ethics Law alleged to be violated;
 - 2. State the name(s) and title(s) of the parties involved in the action and against whom the complaint is filed;
 - 3. Set forth in detail the pertinent facts surrounding the alleged violative action;
 - 4. Indicate whether the complaint concerns the complainant in any way and what, if any, relationship the complainant has to the subject of the complaint; and
 - 5. Indicate any other action previously taken in an attempt to resolve the issue and indicate whether the issue is the subject of pending litigation elsewhere.
- (c) The Board shall not process a complaint on a matter which is pending in a court of law or administrative agency of the State.
- (d) The Board's staff shall acknowledge receipt of the complaint within 30 days of receipt of the complaint and commence a preliminary investigation as to whether the complaint is within the Board's jurisdiction or frivolous or without any reasonable factual basis.
- (e) Upon completion of the preliminary investigation, the Board shall make a determination as to whether the complaint is outside its jurisdiction or frivolous or without any reasonable factual basis.
 - 1. If the Board concludes that the complaint is outside its jurisdiction, frivolous or without any reasonable factual basis, the Board's staff shall advise the complainant and the local government employee or official, who is the subject of the complaint, in writing of the Board's conclusion.
 - 2. If the Board concludes that the complaint is within its jurisdiction, not frivolous, and having a reasonable factual basis, the Board shall direct a further investigation to be conducted by the Board's staff.

- (f) The Board's staff in conducting the investigation shall notify the local government employee or officer, who is the subject of the complaint, of the nature of the complaint and the facts and circumstances surrounding the complaint.
1. The local government employee or officer shall have the opportunity to present to the Board's staff any statements or other information concerning the complaint he or she wishes. Such statements or information shall be presented to the Board within 30 days of receipt of notification. Upon written application, the Board or its staff may extend the time for filing such statement.
 2. The Board's staff shall obtain any further information or statements from any person with relevant information or from any other source, necessary to conduct the investigation.
- (g) At the conclusion of the investigation, the Board's staff shall present to the Board the results of its investigation, which shall include any statements or information received from the local government employee or officer, who is the subject of the complaint, and from any person or source with relevant information. The Board shall consider the matter based on the documents submitted to the Board's staff or obtained by the Board's staff. However, the Board in its discretion may direct the complainant, the local government employee or officer, who is the subject of the complaint, or any other person with relevant information to appear before the Board or to provide to the Board any additional information. The local government employee or officer who is the subject of the complaint may request to appear before the Board. However, such appearance is not required, unless directed by the Board.
- (h) If the Board determines, based upon the results of the investigation, that no violation of the Local Government Ethics Law has been committed by the local government employee or officer, the Board shall issue a Notice of Dismissal to the individual and provide a copy to the complainant.
- (i) If the Board determines, based upon the results of the investigation, by a two-thirds vote that a violation of the Local Government Ethics Law has been committed by the local government employee or officer, the Board shall issue a Notice of Violation to the individual containing the nature of the violation, assessing a penalty, and advising the individual of his or her opportunity to request an administrative hearing.
1. The Notice of Violation shall be transmitted to the local government employee or officer by regular and certified mail or by personal service.
 2. The local government employee or officer, within 30 days of receipt of the letter, may request an administrative hearing to contest the Notice of Violation. Any request for an administrative hearing must be filed in the Board's office within 30 days of the receipt of the Notice of Violation by the local government employee

or officer. The Board in its sole discretion may extend the time for requesting an administrative hearing for any reason it deems appropriate.

3. If an administrative hearing is not requested or if not timely filed by the local government employee or officer, the Order shall be deemed the Final Decision of the Board.
- (j) Any administrative hearing shall be conducted in conformity with the rules and procedure, insofar as they may be applicable, of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq.
1. The Board shall determine whether it will conduct the administrative hearing or whether to transmit the matter to the Office of Administrative Law as a “contested case” for the rendering of an initial decision.
 2. If the Board transmits the matter to the Office of Administrative Law as a “contested case,” the Board shall review the initial decision and render a final decision. However, any finding that a violation of the Local Government Ethics Law has been committed by the local government employee or officer, requires a two-thirds vote of the Board.

5:35-1.2 Confidentiality

- (a) Any complaints, statements, information, or documents obtained or prepared by the Board staff or the Board are deemed confidential and not subject to public disclosure during the course of the preliminary investigation or investigation to determine whether a violation of the Local Government Ethics Law has occurred, except as necessary for the Board’s staff or the Board to conduct the preliminary investigation or investigation.
- (b) The Board’s discussion regarding a preliminary investigation or investigation shall be in executive session. However, any vote by the Board regarding a preliminary investigation or investigation shall be in public session. In public session, the complaint shall only be identified by a docket number, determined by the Board’s staff.
- (c) The Notice, the complaint and allied statements or information obtained by the Board’s staff during the course of the preliminary investigation or investigation are subject to public disclosure 30 days after mailing a Notice of Dismissal, pursuant to N.J.A.C. 5:351.1(h), or a Notice of Violation, pursuant to N.J.A.C. 5:35-1.1(i).

5:35-1.3 Local ethics boards; complaint conflicts

- (a) A municipal or county ethics board, established pursuant to the Local Government Ethics Law, which has before it a complaint against a local government employee or officer regulated by its code of ethics and which is unable to act on the complaint because a

majority of the board has a conflict of interest or is otherwise precluded by ethical consideration from rendering a decision in a matter, shall request the Local Finance Board to assume original jurisdiction.

1. Such request shall be in writing signed by the chairperson of the county or municipal ethics board or its legal counsel and detail the exact nature of the complaint and the exact nature of the county or municipal board's inability to render a decision.
 2. Attached to the request shall be the complaint, the county or municipal code of ethics, and all relevant documents and information obtained by the county or municipal ethics board during the course of the investigation.
 3. The county or municipal ethics board shall advise, in writing, the complainant and the local government employee or officer, who is the subject of the complaint, of the request. A copy of which shall be provided to the Local Finance Board.
- (b) The Board shall review the request and determine whether the county or municipal ethics board is precluded from rendering a decision in the matter.
1. If the Board determines that the county or municipal ethics board is precluded from rendering a decision, the Board shall assume original jurisdiction over the matter and advise the county or municipal board of the determination. Thereafter, the complaint shall proceed in accordance with N.J.A.C. 5:35-1.1. However, the Board shall only consider whether a violation of the State's code of ethics has occurred.
 2. If the Board determines that the county or municipal ethics board is not precluded from rendering a decision, the Board shall advise the county or municipal ethics board of the determination. Thereafter, the county or municipal ethics board shall render a final decision in the matter in accordance with the Local Government Ethics Law.
 3. The county or municipal ethics board shall advise the complainant and the local government employee or officer, who is the subject of the complaint, of the Board's determination.

5:35-1.4 Local ethics boards; appeals of complaints

- (a) A final decision of a county or municipal ethics board, established pursuant to the Local Government Ethics Law, on a complaint may be appealed by the complainant or the local government employee or officer, who is the subject of the complaint, to the Local Finance Board within 30 days of the decision.

- (b) The appeal shall be in writing and include the grounds for appeal and attach the complaint and the decision of the county or municipal ethics boards. A copy of the appeal and allied papers shall be filed with the appropriate county or municipal ethics board.
- (c) Upon receipt of the appeal, the county or municipal ethics board shall transmit to the Local Finance Board the board's complete file in the matter, which shall include any transcripts or tapes of the hearing, and a copy of the municipal or county code of ethics.
- (d) The Board in its discretion may submit the appeal to the Office of Administrative Law as a "contested case" for the rendering of an initial decision in accordance with the Administrative Procedure Act and these rules. The Board shall review the initial decision and render a final decision.
- (e) If the record below is deemed sufficiently complete by the Board or an Administrative Law Judge, the Board, or an Administrative Law Judge, may consider the matter solely on the record below. If the record is not deemed sufficiently complete by the Board, or an Administrative Law Judge, the Board, or an Administrative Law Judge, in its discretion may direct the submission of additional evidence, testimony, or oral argument to complete the record.
- (f) Any final decision of the Board finding that a local government employee or officer has violated the Local Government Ethics Law requires a two-thirds vote of the Board.
- (g) The final decision of the Board shall be provided to the complainant, the local government employee or officer who is the subject of the complaint, and the appropriate county or municipal ethics board.

5:35-1.5 Advisory opinions

- (a) A local government employee or officer not regulated by a county or municipal code of ethics may request from the Local Finance Board an advisory opinion as to whether any proposed activity or conduct constitutes a violation of the Local Government Ethics Law.
 1. The request shall be in writing signed by the local government employee or officer who is the subject of the request or his or her attorney.
 2. The request shall set out the factual situation in detail, the specific question(s) of the requester, and whether there is any pending litigation or action relevant to the facts of the inquiry. The Board will not process an advisory opinion request on a matter pending in a court of law or an administrative agency of the State.
 3. The Board will not consider a request for an advisory opinion regarding activity or conduct that has already occurred, unless the requester certifies that the activity or conduct is likely to be of a continuing nature.

4. The Board will not consider a request for an advisory opinion from a local government officer or employee, or his or her attorney, who is not the subject of the proposed activity or conduct.
- (b) The Board's staff shall acknowledge receipt of the request within 30 days of receipt of the request.
 - (c) The Board's staff shall review and present to the Board requests for advisory opinions that comply with N.J.A.C. 5:35-1.5(a).
 - (d) The Board shall determine whether in its opinion the proposed activity or conduct constitutes a violation of the Local Government Ethics Law. The Board's determination shall be reduced to writing and provided to the requester.
 - (e) Advisory opinions shall not be made public unless two-thirds of the Board directs that the opinion be made public. Public advisory opinions shall not disclose the requester's identity, unless the Board in making the advisory opinion public also determines by a two-thirds vote to disclose the requester's identity. Discussions of advisory opinions by the Board shall be conducted in executive session, unless the requester requests that the Board's discussion be in the public session of the Board's meeting.
 - (f) Unless the Board determines that the advisory opinion be made public, the request for the advisory opinion and all allied documents or information obtained or prepared by the Board's staff shall remain confidential and not subject to public disclosure.
 - (g) If the request for the advisory opinion reports conduct or activity that has already occurred, the Board in its discretion may initiate a complaint against the requester if the Board believes that a violation of the Local Government Ethics Law may have occurred.

5:35-1.6 Local ethics boards; advisory opinion conflicts

- (a) A municipal or county ethics board, established pursuant to the Local Government Ethics Law, which has before it a request for an advisory opinion from a local government employee or officer regulated by its code of ethics and which is unable to act on the request because a majority of the board has a conflict of interest or is otherwise precluded by ethical considerations from rendering an advisory opinion, shall request the Local Finance Board to assume original jurisdiction.
- (b) The procedures, to the extent applicable, contained in N.J.A.C. 5:35-1.5 shall be followed for making the request and for determining whether the Board will assume jurisdiction or direct the county or municipal ethics board to consider the advisory opinion. If the Board assumes jurisdiction of the matter, the Board will only issue an advisory opinion as to whether the proposed conduct or action constitutes a violation of the State's code of ethics.



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UNIFORM ETHICS CODE

FOREWORD

Pursuant to *N.J.S.A. 52:13D-23*, the State Ethics Commission has adopted this Uniform Ethics Code to govern and guide the conduct of State officers and employees and special State officers and employees in State agencies in the Executive branch of State Government.

The Uniform Ethics Code shall be the primary code of ethics for State agencies. It shall be supplemented by an agency code of ethics formulated with respect to the particular needs and problems of the agency to which said code is to apply. Each agency, in consultation with the Attorney General's Office, must review its enabling legislation to ensure that any agency-specific conflicts provisions are included in any supplemental agency code. An agency code must be approved by the Commission.

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I. DEFINITIONS

As used in this Uniform Ethics Code, and unless a different meaning clearly appears from the context, the following terms shall have the following meanings.

“Commission” means the State Ethics Commission, established in but not of the Department of Law and Public Safety pursuant to *N.J.S.A.* 52:13D-21.

“Conflicts Law” means the New Jersey Conflicts of Interest Law, *N.J.S.A.* 52:13D-12 et seq.

“Ethics Liaison Officer” means the individual(s) designated by the agency head to assist the State Ethics Commission in implementing and enforcing the Conflicts Law and related ethics codes.

“Event” means a meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fundraiser, holiday party, social function, or similar event that takes place away from the State official’s work location, is sponsored or co-sponsored by a supplier or a non-State government source and the invitation for which is extended to the State official because of his or her official position.

“Gift” means any fee, commission, service, compensation, gratuity, or other thing of value of any kind. If an item has more than a nominal monetary value, it will be characterized as a gift. A gift includes admission to an event for which a member of the general public would be charged, a meal, transportation, or offer of employment.

“Head of a State agency” means, in the case of the Executive branch of government, except with respect to interstate agencies, the department head or, if the agency is not assigned to a department, the Governor.

“Immediate Family Member” means an individual’s spouse, domestic partner, civil union partner, child, parent or sibling residing in the same household. *N.J.S.A.* 52:13D-13(i).

“Interest” means (1) the ownership or control of more than 10% of the profits or assets of a firm, association, or partnership, or more than 10% of the stock in a corporation for profit other than a professional service corporation organized under the “Professional Service Corporation Act,” P.L. 1969, c. 232 (C. 14A:17-1 et seq.); or (2) the ownership or control of more than 1% of the profits of a firm, association, or partnership, or more than 1% of the stock in any corporation, (a) which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the “Casino Control Act,” P.L.1977, c. 110 (C.5:12-1 et seq.), or (b) which is the holder of, or an applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c. 307 (C.24:6I-1 et al.), or any holding or intermediary company with respect thereto, or (c) which is the holder of, or an applicant for, a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c. 16 (C.24:6I-31 et al.), or which is an entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, or any holding or intermediary company with respect to thereto. The provisions of this act governing the conduct of individuals are applicable

to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

“Interested party” means: 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 agent 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.

“Medical cannabis permit” includes: a medical cannabis cultivator permit, medical cannabis manufacturer permit, medical cannabis dispensary permit, or clinical registrant permit issued pursuant to P.L.2009, c. 307 (C.24:6I-1 et al.).

“Medical cannabis entity” means a medical cannabis permit holder or applicant, any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any holding or intermediary company with respect thereto.

“Person” means any natural person, association or corporation.

“Personal use cannabis license” includes: a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c. 16 (C.24:6I-31 et al.).

“Personal use cannabis entity” means a personal use cannabis license holder or applicant, any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, or any holding or intermediary company with respect to thereto.

“Published work” means any tangible medium of expression, including, but not limited to, literary, pictorial, graphic and sculptural matter; sound recordings; and software. *N.J.A.C. 19:61- 6.2.*

“Relative,” as used in section XIII, means an individual’s spouse, and the individual’s or his/her spouse’s parent, child, sibling, aunt, uncle, niece, nephew, grandparent, grandchild, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, stepsister, half-brother, or half-sister, whether the relative is related to the individual or the individual’s spouse by blood, marriage or adoption.

“Special State officer or employee” means (1) any person holding an office or employment in a State agency, excluding an interstate agency, for which office or employment no compensation is authorized or provided by law, or no compensation other than a sum in reimbursement of expenses, whether payable per diem or per annum, is authorized or provided by law; (2) any person, not a member of the Legislature, holding a part-time elective or appointive office or employment in a State agency, excluding an interstate agency, or (3) any person appointed as a New Jersey member to an interstate agency the duties of which membership are not full-time.

“State agency” means any of the principal departments in the Executive branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within

or created by such department, and, to the extent consistent with law, any interstate agency to which New Jersey is a party and any independent State authority, commission, instrumentality or agency. A county or municipality shall not be deemed an agency or instrumentality of the State.

"State officer or employee" means any person, other than a special State officer or employee (1) holding an office or employment in a State agency, excluding an interstate agency, other than a member of the Legislature or (2) appointed as a New Jersey member to an interstate agency.

"Supplier" means any person that is providing or is seeking to provide or may reasonably be expected to provide goods and/or services to the State officer or employee's or special State officer or employee's agency, including, but not limited to, consultants, vendors and lessors.

"Unclassified office or position" means any office or position in the unclassified service of the civil service of the Executive branch of State government.

II. GENERAL STANDARDS OF CONDUCT

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 that is in violation of their public trust or that creates a justifiable impression among the public that such trust is being violated. Accordingly, State officers and employees and special State officers and employees shall conform their conduct to the following standards.

1. No State officer or employee or special 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/her duties in the public interest.
2. No State officer or employee or special 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 Commission.
3. No State officer or employee or special State officer or employee should act in his/her official capacity in any matter wherein he/she has a direct or indirect personal financial interest that might reasonably be expected to impair his/her objectivity or independence of judgment.
4. No State officer or employee or special 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/her acts that he/she may be engaged in conduct violative of his trust as a State officer or employee or special State officer or employee.

Misuse of Official Position or Information

5. No State officer or employee or special State officer or employee should use or attempt to use his/her official position to secure unwarranted privileges or advantage for him/herself or others.

6. No State officer or employee or special State officer or employee, shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public which he/she receives or acquires in the course of and by reason of his/her official duties. No State officer or employee or special State officer or employee shall use for the purpose of pecuniary gain, whether directly or indirectly, any information not generally available to members of the public which he/she receives or acquires in the course of and by reason of his/her official duties.

Representation/Appearance Before a State Agency

7. No State officer or employee, nor any partnership, firm or corporation in which he/she has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before any State agency. Nothing contained herein shall be deemed to prohibit any such partnership, firm or corporation from appearing on its own behalf.
8. No special State officer or employee, nor any partnership, firm or corporation in which he/she has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the particular office, bureau, board, council, commission, authority, agency, fund or system in which such special State officer or employee holds office or employment.

Nothing contained in this section shall be deemed to prohibit any State officer or employee or special State officer or employee from representing, appearing for or negotiating on behalf of, or agreeing to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any proceeding:

- i. Pending before any court of record of this State,
- ii. In regard to a claim for compensation arising under chapter 15 of Title 34 of the Revised Statutes (Workers' Compensation),
- iii. In connection with the determination or review of transfer inheritance or estate taxes,
- iv. In connection with the filing of corporate or other documents in the office of the Secretary of State,
- v. Before the Division on Civil Rights or any successor thereof,
- vi. Before the New Jersey State Board of Mediation or any successor thereof,
- vii. Before the New Jersey Public Employment Relations Commission or any successor thereof,
- viii. Before the Unsatisfied Claim and Judgment Fund Board or any successor thereof solely for the purpose of filing a notice of intention pursuant to P.L.1952, c.174, s.5 (C.39:6-65),or
- ix. Before any State agency on behalf of a county, municipality or school district, or any authority, agency or commission of any thereof except where the State is an

adverse party in the proceeding and provided he is not holding any office or employment in the State agency in which any such proceeding is pending.

III. ACCEPTANCE OF GIFTS

No State officer or employee or special State officer or employee shall accept any gift, favor, service or other thing of value related in any way to the State official's public duties.

Upon the recommendation of the Special Counsel for Ethics Review and Compliance, the Commission has adopted a zero tolerance policy for acceptance of gifts. (See *Report of the Special Ethics Counsel to the Governor of the State of New Jersey*, dated March 14, 2005.) Accordingly, any gift that is offered to or received by a State officer or employee or special State officer or employee or, his/her spouse, immediate family member, partner or associate shall be immediately reported to the agency's Ethics Liaison Officer ("ELO"). Unless the State officer or employee or special State officer or employee is permitted to receive the gift or thing of value in accordance with the Commission's rules on attendance at events (see section IV), no State officer or employee or special State officer or employee or, his/her spouse, immediate family member, partner or associate shall accept, either directly or indirectly, any gift, favor, service or other thing of value related in any way to the State official's public duties.

The exceptions to the zero tolerance rules for acceptance of gifts are set forth below.

1. 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. The receipt of such complimentary articles is not required to be reported to the ELO.
2. A State officer or employee or special State officer or employee may receive a gift, favor, service or other thing of value from a vendor under the same terms and conditions as are offered or made available to members of the general public.
3. A State employee is permitted to give or receive a gift from a co-worker, a supervisor or a subordinate. The gift should not be excessive or inappropriate for a business environment. Such gift shall not be reported to the ELO.
4. In accordance with *N.J.S.A. 52:13D-24*, gift provisions do not apply to the acceptance of contributions to the campaign of an announced candidate for elective public office.

The procedures for reporting receipt of a gift are set forth in Appendix A.

IV. ATTENDANCE AT EVENTS

Attendance at an event that is sponsored or co-sponsored by an entity other than the State must be approved by the agency's ELO.

A State employee must complete the form identified as "Request for Approval For Attendance At Event," prior to attendance.

A State employee shall not attend an event in his or her official capacity unless a legitimate State purpose will be served.

Costs associated with attendance at an event shall be paid or reimbursed in accordance with *N.J.S.A. 52:13D-24* and *N.J.A.C. 19:61-6.1* et seq.

A State employee is prohibited from accepting honoraria in connection with his/her attendance or participation at an event. *N.J.S.A. 52:13D-24*.

A State employee is prohibited from accepting entertainment, or reimbursement for entertainment, that is collateral to an event, such as a golf outing, tickets to a sporting event or a meal taken other than in a group setting with all attendees present.

The Commission's rules on attendance at an event and the form that must be completed prior to attendance at an event are set forth in Appendix B.

V. POLITICAL ACTIVITY

Upon giving notice to the agency ELO, a State employee may be involved in political activities unless:

1. the State employee is prohibited from such activities by State or federal statute or agency rule; or
2. the political activity conflicts with the employee's official duties.

Pursuant to *N.J.S.A. 52:13D-14* and *N.J.S.A. 52:13D-24*, a State employee may accept a contribution to the campaign of an announced candidate for elective public office provided the contribution is not known to be given in lieu of a payment that is prohibited by the Conflicts Law. Further, a State employee is subject to the Department of Personnel's Administrative Code provisions governing political activity, *N.J.A.C. 4A:10-1.2*. Note that a State employee is not permitted to serve as a campaign treasurer on any campaign that is subject to the jurisdiction of the Election Law Enforcement Commission.

The Commission's Guidelines on Political Activities and the provisions of *N.J.A.C. 4A:10-1.2* are set forth in Appendix C.

VI. OUTSIDE ACTIVITIES AND BUSINESS INTERESTS

No State officer or employee or special State officer or employee should undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his/her objectivity and independence of judgment in the exercise of his/her official duties.

A State officer or employee's participation in any service, activity or employment that is outside his/her official State duties may be prohibited by the Conflicts Law, other State or Federal law or regulation, or the code of ethics adopted by the employee's agency. Accordingly, a State

officer or employee shall obtain the approval of the ELO prior to engaging in any of the following outside activities.

1. Commencement of any business, trade, profession or other compensated employment, including the acceptance of compensation for a speech or published work;
2. Uncompensated or volunteer work for or with any entity; or
3. Holding office or title in the governing or advisory board of any entity.

Notwithstanding the requirement to disclose outside employment and activities, a State agency may exempt disclosure of specific kinds of outside employment or activities if the agency is satisfied that such activity or employment does not present a conflict of interest.

A State officer or employee is not permitted to hold an interest in, or represent, appear for, or negotiate on behalf of a casino licensee or applicant, a medical cannabis permit holder, applicant, or entity, or a personal use cannabis license holder, applicant, or entity. A State officer or employee is also not permitted to hold employment with a casino licensee or applicant, a medical cannabis permit holder, applicant, or entity, or a personal use cannabis license holder, applicant, or entity, unless the Commission grants a waiver. A waiver is granted in circumstances where it is determined by the Commission that such activity will not interfere with the responsibilities of the State officer or employee and will not create a conflict of interest or the appearance of such conflict.

Special State officers and employees, excluding those serving in the Departments of Education, Health, or Human Services, or in the Office of the Secretary of Higher Education, are prohibited from holding an interest in a casino licensee or applicant, or any holding or intermediary company with respect thereto, a medical cannabis entity, or a personal use cannabis entity. However, a special State officer or employee without responsibility for matters affecting casino activity may represent, appear for, or negotiate on behalf of a casino licensee or applicant or any holding or intermediary company thereof, or hold employment with a casino licensee or applicant or any holding or intermediary company thereof, and, if so employed, may hold an interest in or represent, appear for or negotiate on behalf of that casino employer. Similarly, a special State officer or employee without responsibility for matters affecting medical cannabis activity or personal use cannabis activity may represent, appear for, or negotiate on behalf of a medical cannabis entity or a personal use cannabis entity, or hold employment with a medical cannabis entity or a personal use cannabis entity, and if so employed, may hold an interest in or represent, appear for, or negotiate on behalf of that cannabis-related employer. *N.J.S.A. 52:13D-17.2(b)*.

All State officers and employees shall complete the Outside Activity Questionnaire attached to this document as Appendix D, in accordance with the procedures adopted by his/her agency. These procedures shall, at a minimum, require that each current employee complete the questionnaire and that each new employee complete the questionnaire upon commencement of employment with the agency. The procedures shall also require that a State officer or employee amend his/her Outside Activity Questionnaire whenever there is a change in the employee's outside activity or State employment. A State agency shall require disclosure of additional

information regarding the outside activities of its employees as necessary to address the particular needs and problems of the agency.

The agency ELO shall review all outside activity questionnaires and determine whether the outside activity is permissible in accordance with the Conflicts Law, the Uniform Ethics Code, the agency code of ethics or any other authority. A State officer or employee may appeal an agency ELO's decision to disapprove an outside activity. Such appeal shall be submitted in writing to the Commission within 60 days of the employee's receipt of the agency's decision. The appeal shall cite the relevant section(s) of the Conflicts Law, Uniform Ethics Code, agency code of ethics or other authority which supports the position of the employee that such outside activity should be permitted.

Each State agency shall develop a Conflict of Interest questionnaire for special State officers and employees of that agency. Each State agency shall develop a process for the review and retention of both Outside Activity Questionnaires and Conflict of Interest Questionnaires.

The Commission's Guidelines Governing Outside Activities are set forth in Appendix E.

Blind Trusts

A blind trust may be used by a State officer or employee, a special State officer or employee, his/her spouse or domestic partner or dependent children to avoid conflicts situations caused by financial interests. The trust must conform to the standards set forth in the Blind Trust Guidelines, Appendix F.

VII. OFFICIAL STATIONERY

Official stationery shall be used only in connection with the State agency's official business. The limitations on use of official stationery also apply to personal stationery paid for by an officer or employee if it is imprinted with the agency office or the title of the State officer or employee.

A State officer or employee or special State officer may not use official stationery to promote a candidate for elective office, endorse a State vendor or contractor, express a personal opinion on a matter that is not related to his/her official duties, or to promote his/her financial or other self-interest.

Exceptions: A State officer or employee or special State officer or employee may use official stationery to write a letter of recommendation for, or respond to an inquiry about, a current or former colleague or employee. These permissible uses are only acceptable so long as the use of official stationery does not create an impression that the State officer or employee is engaged in an unwarranted use of his/her position. For example, it would not be appropriate for a State employee to recommend an individual for inclusion in a program over which the State employee has supervisory or regulatory authority. In addition, there must be a reasonable connection between the officer's or employee's official duties and the use and purpose of the letter.

A State agency may not use official stationery to solicit a contribution from any interested party. Solicitation of any other entity must be reviewed and approved by the agency's ELO.

The Commission's Guidelines with respect to the use of official stationery are set forth in Appendix G.

VIII. POST-EMPLOYMENT RESTRICTIONS

Seeking Future Employment

State officers or employees who have direct and substantial contact with any interested parties must refrain from circulating resumes or in any manner seeking employment with those individuals or entities while still in State service. If an employee is solicited for potential employment by an entity with which he/she has direct and substantial contact, that solicitation must be disclosed immediately to the employee's management and to the agency's ELO. Employees who do not have direct and substantial contact with interested parties may circulate resumes and enter into discussions regarding potential employment with those individuals or entities so long as they avoid any situations that may give rise to an unwarranted advantage. All employees are cautioned that discussions, interviews, and negotiations shall not take place on State time.

Lifetime Ban

At no time subsequent to the termination of his/her office or employment in any State agency may a former State officer or employee or special State officer or employee represent, appear for, negotiate on behalf of, or provide information or services not generally available to members of the public, or agree to perform any of those activities, for any party other than the State in connection with a specific cause, proceeding, application or matter with which the State officer or employee or special State officer or employee had been substantially and directly involved at any time during the course of his/her office or employment. *N.J.S.A. 52:13D-17*. This lifetime ban applies not only to the State officer or employee or special State officer or employee personally, but also to the partnership, firm or corporation under the following circumstances: (1) if the former State officer or employee or special State officer or employee is a shareholder, associate or professional employee of a firm organized as a professional service corporation or (2) if the former State officer or employee or special State officer or employee owns or controls more than 10% of the stock of a corporation or more than 10% of the profits or assets of a firm, association or partnership.

One-Year Ban – Certain State Officials

In accordance with the recommendation of the Special Counsel for Ethics Review and Compliance, a one-year ban on the activities described in this section shall apply to any head, deputy head or assistant head of any principal department, board, commission or authority, the Superintendent of State Police, the Governor's Chief of Staff, Chief of Management and Operations, Chief of Policy and Communications, Chief Counsel, Director of Communications, Policy Counselor, and any deputy or principal administrative assistant to any of the aforementioned members of the staff of the Office of the Governor.

For one year after the termination of the State office or employment of any of the individuals noted above, he/she shall not represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of any person or party other than the State with or before any officer or employee of the State agency in which he/she served. The provisions of this subsection shall not apply to any partnership, firm or corporation in which he/she has an interest or is employed, or to any partner, officer, director or employee of such partnership, firm or corporation. Nothing contained in this section shall prohibit a State agency from contracting with a former State officer or employee to act on behalf of the State.

In addition, the governor and each head of a principal department in the Executive branch are prohibited, for one year after the termination of office or employment, from registering as a “governmental affairs agent,” as that term is defined in *N.J.S.A. 52:13C-20*. *N.J.S.A. 52:13C-21.4*.

Two-Year Casino, Medical Cannabis, and Personal Use Cannabis Employment Restriction

N.J.S.A. 52:13D-17.2 sets forth post-employment restrictions applicable to State officers or employees subject to financial disclosure by law or executive order, and State officers or employees or special State officers or employees with responsibility for matters affecting casino activities, medical cannabis activities, and personal use cannabis activities.

Such persons, and members of their immediate families, are prohibited from holding, directly or indirectly, an interest in, or holding employment with: (1) a casino licensee or applicant; (2) a medical cannabis permit holder, applicant, or entity; or (3) a personal use cannabis license holder, applicant, or entity, for a period of two years following the termination of their State employment. In addition, such persons may not represent, appear for, or negotiate on behalf of a casino licensee or applicant, medical cannabis permit holder, applicant, or entity, or personal use cannabis license holder, applicant, or entity.

If such person or a member of the person’s immediate family is employed by a partnership, firm or corporation providing professional services to a casino licensee or applicant or holding or intermediary company of the licensee or applicant, the entity may engage in casino-related matters but the person or a member of the person’s immediate family must be screened from these matters for a period of two years following the termination of the person’s State employment. The same restrictions apply where a person or member of the person’s immediate family is working for a medical cannabis permit holder, applicant, or entity, or personal use cannabis license holder, applicant, or entity.

If such person holds an equity interest in such entity, or is the former Governor, Lieutenant Governor, or Attorney General or a member of the immediate family of one of these individuals, then the entity is also prohibited from representing, appearing for, or negotiating on behalf of a casino licensee or applicant, medical cannabis permit holder, applicant, or entity, or personal use cannabis license holder, applicant, or entity.

Waivers

In accordance with *N.J.S.A. 52:13D-17.2*, the Commission may grant an exception from the above employment restrictions for a person's immediate family member or an employee who was terminated as a result of a reduction in force, (provided that the employee did not hold a policy-making management position during the five years prior to termination of employment) whenever it determines that such waiver will not create a conflict of interest or the appearance of a conflict of interest.

The Commission's Guidelines with respect to Post-Employment Restrictions are set forth in Appendix H.

IX. RECUSAL ON OFFICIAL MATTERS

A State officer or employee or special State officer or employee is required to recuse him/herself on an official matter that involves any private sector individual, association, corporation or other entity that employed or did business with the State officer or employee or special State officer or employee during the one year prior to the employee's commencement of State service.

A State officer or employee or special State officer or employee is required to recuse him/herself on an official matter if he/she had any involvement in that matter, other than on behalf of the State, prior to commencement of his/her State service.

A State official is required to recuse himself or herself from an official matter that involves any individual, association, corporation or other entity from which the State official received a campaign contribution, individually or in the aggregate, in an amount required to be reported by *N.J.A.C. 19:25-10*. Recusal is required regardless of whether the State official is elected to the office or position associated with the campaign contribution. The recusal shall remain in effect until the expiration of the term of office which the State official was seeking when the contribution was made.

A State officer or employee or special State officer or employee is required to recuse him/herself on an official matter if he/she has a financial or personal interest that is incompatible with the proper discharge of his/her public duties.

An incompatible personal or financial interest includes, but is not limited to, outside employment; a debtor/creditor relationship; a fiduciary relationship; a source of income; any matter pertaining to or involving a relative or cohabitant; a relationship with a person providing funds, goods or services without compensation; any matter pertaining to or involving a business associate or business investment; and a leadership role in a professional or trade organization, which interest might reasonably be expected to impair a State official's objectivity and independence of judgment in the exercise of his/her official duties or might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he/she may be engaged in conduct violative of his/her trust as a State official.

Upon determining that a State official shall recuse him/herself on any matter, the State official shall execute the recusal in writing, and shall have no involvement with the subject matter of the recusal. If a State official cannot determine whether he/she should execute a letter of recusal in any matter, the State official shall contact his/her agency ELO or the Commission for guidance. A State official shall seek the advice of the State agency's counsel, agency ELO or the Commission as to the propriety of participation in a matter if any person requests that a State official recuse him/herself from that matter. Oral advice, followed up by a writing, shall be provided by the agency's counsel, the agency ELO or the Commission to avoid delay. Oral advice shall subsequently be memorialized by a writing or by inclusion in public minutes.

The Commission's regulations governing recusal, *N.J.A.C 19:61-7.1 et seq.*, which include the required elements for a written recusal, are set forth in Appendix I.

X. CONTRACTS

With few exceptions, a State employee may not enter into a contractual agreement with the State.

An agency head, deputy head or assistant head is prohibited from engaging in any private business transactions with any employee in his/her agency.

Limitation on contracting by State officer or employee

Pursuant to *N.J.S.A. 52:13D-19*, no State officer or employee shall knowingly 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. The exceptions to this prohibition are set forth below. As used in this section, State officer or employee also includes his or her partners, any other person for the use or benefit of the State employee or on his or her account or any corporation which he/she controls or in which he/she owns or controls more than 1% of the stock.

Limitation on contracting by special State officer or employee

Pursuant to *N.J.S.A. 52:13D-19*, no special State officer or employee who has duties or responsibilities in connection with the purchase or acquisition of property or services by the State agency where he/she is employed or an officer shall knowingly 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 that State agency. The exceptions to this prohibition are set forth below. As used in this paragraph, special State officer or employee also includes his/her partners, any other person for the use or benefit of the special State employee or on his/her account or any corporation which he/she controls or in which he/she owns or controls more than 1% of the stock.

The restrictions contained above shall apply to the contracts of interstate agencies to the extent consistent with law only if the contract, agreement, sale or purchase is undertaken or executed by a New Jersey member to that agency or by his/her partners or a corporation in which he/she owns or controls more than 1% of the stock.

Permissible Contracts with the State

(1) With the prior approval of the Commission, a State officer or employee or special State officer or employee is permitted to enter into the following:

(a) purchases, contracts, agreements or sales which are made or let after public notice and competitive bidding or which, in accordance with public bidding laws or regulations applicable to other State agencies, may be made, negotiated or awarded without public advertising for bids, or

(b) any contract of insurance entered into by the Director of the Division of Purchase and Property pursuant to *N.J.S.A. 52:27B-62*.

(2) A State officer or employee or a special State officer or employee or his partners or any corporation or firm in which he/she owns or controls more than 1% of the stock, assets or profits may enter into a contract or agreement with a State agency where the contract or agreement is for the development of scientific or technological discoveries or innovations in which the State agency has a property right, if the State agency has a procedure in its code of ethics for authorizing these contracts or agreements that minimizes actual conflicts of interest, and the code of ethics was approved in accordance with *N.J.S.A. 52:13D-23*, and the contract or agreement complies with that code procedure.

(3) A State officer or employee or a special State officer or employee or his/her partners or any corporation or firm in which he/she owns or controls more than 1% of the stock, assets or profits may enter into a rental agreement with a State agency which operates a facility which rents space or provides services to assist small businesses which employ 50 people or less, pursuant to the same terms and conditions as those offered to members of the public generally.

The Commission's Guidelines on Privatization, set forth in Appendix J, are applicable to a State employee's participation in an open competitive bid process for the privatization of services currently being provided by his/her agency.

XI. RETIREMENT GIFTS

A gift can be given to a State employee upon his/her retirement from State service. There are specific limits to the value of a permissible retirement gift. A State employee shall refer to Appendix K for the provisions governing retirement gifts.

XII. COMPENSATION FOR PUBLISHED WORKS

A State officer or employee or special State officer or employee may not solicit, receive, or agree to receive, compensation from sources other than the State for published work(s) created as part of his/her official duties on State time and/or using State resources.

However, a State officer or employee or special State officer or employee, other than a "designated State officer," (the Governor, cabinet-level officers and other principal administrative

officers of the State) may, in connection with any service, advice, assistance, appearance, speech or other matter related to his/her official duties, receive or agree to receive, whether directly or indirectly, from sources other than the State, reasonable fees for published works on matters within his/her official duties not created on State time and/or using State resources.

In addition, a State officer or employee or special State officer or employee may accept compensation from sources other than the State for published work(s) on matters unrelated to his/her official duties created on his/her own time and with non-State resources.

Before agreeing to accept or accepting any compensation from a source other than the State for any published work, a State officer or employee or special State officer or employee must secure his/her State agency's approval to do so.

In determining whether to grant such approval, the State agency shall consider, among other things, whether the compensation is offered by an interested party, and whether the published work uses or discloses information not generally available to the public. The determination shall be consistent with applicable law and agency policy.

No State officer or employee or special State officer or employee may use his/her official title in soliciting compensation for a published work.

The Commission's Guidelines with respect to Published Works are set forth in Appendix L.

XIII. FAMILY MEMBERS - CONFLICTS OF INTEREST

1. No relative of the Governor may be employed in any unclassified office or position within the State.

2. No relative of a commissioner or department head may be employed in any unclassified office or position within the department over which the department head exercises authority.

3. A relative of an assistant or deputy department head may be employed in an unclassified office or position within the department in which the assistant or deputy serves, provided that he/she is not assigned to a position over which the assistant or deputy department head exercises authority.

4. A relative of a head or assistant head of a division within a department may be employed in an unclassified office or position within the department in which the division head or assistant division head serves, provided that he/she is not assigned to a position over which the assistant or deputy department head exercises authority.

5. A relative of an appointed member of a governing or advisory body of an independent authority, board, commission, agency or instrumentality of the State may not be employed in any office or position in that entity.

6. A relative of an appointed New Jersey member of a governing body of a bi-state or multi-state agency may not be employed in an office or position in that bi-state or multi-state agency, unless otherwise permitted by law.

7. No State officer or employee or special State officer or employee may supervise his/her relative, or exercise any authority with regard to personnel actions involving his/her relative

8. Each State agency shall require State officers and employees and special State officers and employees to disclose information sufficient for the agency to determine whether the employment of any individual within the agency is prohibited.

Cohabitation

The Commission has determined that the prohibition regarding personnel actions and the supervision of family members, set forth in paragraph 7 above, is applicable to non-related individuals who share the same household with the same financial interdependence that the Commission views as creating a conflict in spousal situations.

Dating Relationship

In the case of individuals involved in dating relationships, the Commission has found violations of the Conflicts Law in situations where the State employee had official involvement in a matter affecting the individual with whom he/she had a dating relationship. Accordingly, a State officer or employee or special State officer or employee shall not have any involvement in his/her official capacity in any matter that pertains to or involves an individual with whom he/she has a dating relationship.

The Commission's guidelines with respect to "Official Interactions with Family Members/Cohabitants and Dating Relationships" is attached hereto as Exhibit M.

XIV. RESTRICTIONS ON ACTIVITIES AND EMPLOYMENT FOR IMMEDIATE FAMILY MEMBERS

Concurrent Employment Restriction

An immediate family member of a State officer or employee, or of any "person," as defined at *N.J.S.A. 52:13D-17.2(a)*, may not hold directly or indirectly, an interest in, hold employment with, or represent, appear for, or negotiate on behalf of a holder of, or applicant for, a casino license, or any holding or intermediate company with respect thereto, nor may they hold directly or indirectly, an interest in, hold employment with, or represent, appear for, or negotiate on behalf of a medical cannabis permit holder, applicant, or entity, or a personal use cannabis license holder, applicant, or entity.

However, an immediate family member of a State officer or employee or "person" may be employed by a casino, medical cannabis permit holder, applicant, or entity, or personal use cannabis license holder, applicant, or entity in circumstances where it is determined by the Commission that such employment will not interfere with the responsibilities of the State officer

or employee or “person” and will not create a conflict of interest or the appearance of such conflict. *N.J.S.A. 52:13D-17.2(b)*.

Post-Employment Restriction

An immediate family member of a “person,” as defined at *N.J.S.A. 52:13D-17.2(a)*, may not hold, directly or indirectly, an interest in, hold employment with, or represent, appear for, or negotiate on behalf of, any: (1) casino licensee or applicant; (2) medical cannabis permit holder, applicant, or entity; or (3) personal use cannabis license holder, applicant, or entity, in connection with any phase of development, permitting, licensure, or any other matter related to casino activity, medical cannabis activity, or personal use cannabis activity, for a period of two years following the termination of the office or employment of such person.

However, an immediate family member of a “person” may be employed by a casino, medical cannabis permit holder, applicant, or entity, or personal use cannabis license holder, applicant, or entity in circumstances where it is determined by the Commission that such employment will not interfere with the responsibilities of the “person” and will not create a conflict of interest or the appearance of such conflict. *N.J.S.A. 52:13D-17.2(c)(1)*.

Related post-employment restrictions that apply to State officials defined as “persons” are noted in section VIII.

XV. REPORTING COMPLAINTS

Allegations that a State officer or employee or special State officer or employee has violated a provision of this Uniform Code, the Conflicts Law, the Commission’s rules, an agency code of ethics or any other standard within the jurisdiction of the Commission should be reported to the appropriate agency ELO or the Commission staff. Allegations should contain as much detailed information as possible and, if the complainant chooses to identify him/herself, should include contact information so that the ELO or Commission staff can obtain additional information if necessary. A complainant is not required to disclose his/her identity when reporting an alleged ethics violation.

XVI. PENALTIES

The Commission is empowered to impose the following penalties in accordance with specific provisions of the Conflicts Law. Note that violations committed by a former State officer or employee or special State officer or employee may be subject to penalties so long as the Commission’s investigation of same was initiated not later than two years following termination of service.

1. *N.J.S.A. 52:13D-17* provides that any person who willfully violates the general post-employment restrictions set forth in that provision is a disorderly person, and shall be subject to a fine not to exceed \$1,000 or imprisonment not to exceed six months, or both. In addition, for violations occurring after March 15, 2006, any former State officer or employee or former special

State officer or employee found by the Commission to have violated any of the provisions of this section shall be assessed a civil penalty of not less than \$500 or more than \$10,000.

2. *N.J.S.A. 52:13D-17.2(h)* provides that any person who willfully violates the casino-related, medical cannabis-related, or personal use cannabis-related post-employment restrictions set forth in Section 17.2 (c) is a disorderly person, and shall be subject to a fine not to exceed \$1,000 or imprisonment not to exceed six months, or both. In addition, for violations of Section 17.2(c) occurring after March 15, 2006, any former State officer or employee or former special State officer or employee found to have violated any of the provisions of this section shall be assessed a civil penalty of not less than \$500 or more than \$10,000.

3. *N.J.S.A. 52:13D-21(i)* provides that any current or former State officer or employee or special State officer or employee found guilty by the Commission of violating any provision of the Conflicts Law, the Uniform Ethics Code, or any agency code of ethics, shall be fined not less than \$500 nor more than \$10,000, and may be suspended from office or employment by order of the Commission for a period not to exceed one year. In addition, for violations occurring after March 15, 2006, the State Ethics Commission may also order restitution, demotion, censure or reprimand.

This subsection further provides that if the Commission finds that the conduct of the officer or employee constitutes a willful and continuous disregard of the provisions of the Conflicts Law, the Uniform Ethics Code or any agency code of ethics, it may order that person removed from office or employment and may further bar the person from holding any public office or employment in this State in any capacity whatsoever for a period not exceeding five years from the date on which the person was found guilty by the Commission.

This subsection further provides that the Commission may impose a penalty of \$50 per day of violation for failure to file an appropriate financial disclosure statement required to be submitted to the Commission by law, regulation or executive order.

(See penalty provisions set forth at *N.J.A.C. 19:61-3.1(j)* and *N.J.A.C. 19:61-5.6(c)*.)

4. *N.J.S.A. 52:13D-23(d)* provides that violations of the Uniform Ethics Code or any agency code of ethics shall be cause for removal, suspension, demotion or other disciplinary action by the State officer or agency having the power of removal or discipline. With respect to a person who is in the classified civil service, the procedure leading to such removal or discipline shall be governed by the Civil Service Act, *N.J.S.A. 11A:1-1 et seq.* and the Rules of the Department of Personnel. No action for removal or discipline shall be taken under this subsection except upon the referral or with the approval of the Commission.

5. *N.J.S.A. 52:13D-26* provides that any person who willfully induces or attempts to induce a State officer or employee or special State officer or employee to violate any of the provisions of the Conflicts Law is a disorderly person, and shall be subject to a fine not to exceed \$500 or imprisonment not to exceed 6 months, or both.

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APPENDIX A

**GUIDELINES GOVERNING RECEIPT OF
GIFTS AND FAVORS**

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 related in any way to the State officer or employee's or special State officer or employee's public duties.
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 related in any way to their public duties.
3. All officers and employees should be instructed that any gift or other thing of value offered to or by an officer or employee that is related in any way to his/her public duties 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. The Ethics Liaison Officer shall return a gift or thing of value that is related in any way to an officer or employee's public duties to the donor or shall otherwise appropriately dispose of it.
5. 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.
6. 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.
7. The assistance of the Director of the State Ethics Commission will be available to all Ethics Liaison Officers to aid them in individual cases.

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APPENDIX B

SUBCHAPTER 6. ATTENDANCE AT EVENTS, ACCEPTANCE OF HONORARIA, ACCEPTANCE OF COMPENSATION FOR PUBLISHED WORKS, AND ACCEPTANCE OF THINGS OF VALUE

19:61-6.1 Applicability

The rules in this subchapter apply to all State officials in the Executive branch of State government.

19:61-6.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Allowable entertainment expenses” means the costs for a guest speaker, incidental music and other ancillary entertainment at any meal at an event, provided they are moderate and not elaborate or excessive, but does not include the costs of personal recreation, such as being a spectator at or engaging in a sporting or athletic activity which may occur as part of that event.

“Approval” means, for the purposes of N.J.A.C. 19:61-6.4 and 6.5, written permission from the department head to attend and/or participate in an event; and/or to accept direct or indirect benefits in connection with attendance.

“Department head” means the administrative or executive head of the State official’s agency or his or her designee.

“Direct benefit” means acceptance by a State official from the sponsor of an event or any other person of travel, meals, accommodation, waiver of conference or event fee or any other costs associated with attending the event for which no payment is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks (doughnuts, pastries and cookies).

“Event” means a meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fundraiser, holiday party, social function, or similar event that takes place away from the State official’s work location, is sponsored or co-sponsored by a supplier or a non-State government source and the invitation for which is extended to the State official because of his or her official position.

“Indirect benefit” means acceptance by a State official from the event sponsor or any other person of reimbursement for costs of travel, meals, accommodation, event fees, or any other costs associated with attending the event for which no reimbursement is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks (doughnuts, pastries and cookies).

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“Interested party” means:

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 agent 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.

“Personal funds” means funds of a State official. It does not include funds that are loaned, advanced, promised or reimbursed to a State official for any purpose by an interested party.

“Published work” means any tangible medium of expression, including, but not limited to, literary, pictorial, graphic and sculptural matter; sound recordings; and software.

“Reasonable expenditures for travel or subsistence” means commercial travel rates directly to and from an event and food and lodging expenses which are moderate and neither elaborate nor excessive.

“Supplier” means any person that is providing or is seeking to provide or may reasonably be expected to provide goods and/or services to the State official’s agency, including, but not limited to, consultants, vendors and lessors.

“Thing of value” includes, but is not limited to, compensation; money; a stock, bond, note or other investment in an entity; employment, offer of employment; gift; reward; honorarium; favor; goods, service; loan; forgiveness of indebtedness; gratuity; property or real property; labor; fee; commission; contribution; rebate or discount in the price of any thing of value; an automobile or other means of personal transportation; entertainment; meal; or any other thing of value offered to or solicited or accepted by a State official in connection with his or her official position.

19:61-6.3 Granting of approval

(a) For the purposes of N.J.A.C. 19:61-6.4 and 6.5, when a department head grants approval to attend an event, the department head shall determine whether a legitimate State purpose will be served by attendance and shall consider the provisions of the Conflicts of Interest Law, the uniform ethics code and the agency code of ethics, any applicable Executive Orders, the guidelines and rules of the Commission, any departmental administrative policies and any other relevant considerations. Relevant considerations include, but are not limited to:

1. The identity of the sponsor;
2. The purpose of the event;
3. The identity of other expected participants;

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4. Whether attendance and/or participation in the event will assist the State official in carrying out his or her official duties and support the mission of the agency; and

5. The monetary value and character of the costs and benefits provided by the sponsor, including whether the costs and benefits are comparable to those offered to or purchased by other attendees.

(b) Approval shall be requested in writing on the form provided in N.J.A.C. 19:61-6.8. Such forms shall be retained by the State agency for a period of five years from the date of approval of the form.

(c) When an agency has numerous divisions or similar subunits with very diverse missions, the department head may request that the Commission permit that such divisions rather than the department State agency be treated as agencies for the purposes of this subchapter. The department head shall provide the Commission with information identifying the diversity of the missions of the divisions and justifying their separate treatment as agencies.

19:61-6.4 Attendance at an event sponsored by an interested party

(a) The State official shall secure the prior approval of the department head to attend such an event.

(b) Except as provided in (c) below:

1. The State shall pay the reasonable expenses of the State official associated with attending the event.

2. Neither the State official nor the State shall receive any direct or indirect benefit from any other source.

(c) The requirement and prohibition in (b) above need not apply if the event is designed to provide training, dissemination of information, or the exchange of ideas and the State official is making a speech, is participating in a panel at the event or is an accompanying resource person for the speaker and/or participant, subject to the reasonable approval of the department head. The direct or indirect benefit provided to the State official by the sponsor of the event may include the following:

1. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence and allowable entertainment expenses associated with attending an event in New Jersey if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey;

2. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence outside New Jersey, not to exceed \$500.00 per trip, if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey. The \$500.00 per trip limitation shall not apply if the reimbursement or payment is made by:

i. A nonprofit organization of which the State official is, at the time of reimbursement or payment, an active member as a result of the payment of a fee or charge for membership to the organization by the State;

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ii. A nonprofit organization that does not contract with the State to provide goods, materials, equipment, or services; or

iii. Any agency of the federal government, any agency of another state or of two or more states, or any political subdivision of another state.

(d) If an actual conflict or the appearance of a conflict could arise under the application of (c) above, (b) above shall govern.

(e) Approvals granted under (c) above must be forwarded to the Commission for review.

(f) The State official may pay his or her own expenses with his or her personal funds.

(g) The State official shall not accept an honorarium or fee for a speech or presentation at an event covered by this section.

Examples:

An employee of the Department of Environmental Protection has been invited to attend a conference of the Association of Environmental Authorities and has been asked to present a short program to explain a new series of forms being proposed by the Department. The Association has offered to waive the \$200.00 conference fee; the conference program includes morning and afternoon refreshments and lunch. If the Department head approves the employee's attendance and participation in the conference, the employee may accept the waiver of the fee and the refreshments and meal included in the program. A copy of the Department head's approval must be forwarded to the Commission.

The Motor Vehicle Commission (MVC) is considering the purchase of new pollution testing equipment. One of the companies that plans to submit a bid invites several MVC employees to a demonstration of the equipment to be held at a hotel conference center. A seafood buffet will be served after the demonstration. With proper approval, the employees may attend the demonstration, but because the company plans to submit a bid to provide this equipment and is therefore an interested party with respect to the MVC, the employees may not partake of the seafood buffet at the expense of the vendor. The employees may, however, pay the cost of the buffet personally.

Three employees from different units of the Department of Transportation are responsible for weekly monitoring of a construction project. Each Friday morning, they meet with the contractor's representative at the site field office to review the week's progress and to assess projected schedules. The meetings generally last one to two hours; coffee is available, but no other refreshments or meals are served or offered. Because no direct or indirect benefits are offered or provided and because the meetings are part of the employees' job responsibilities, the meetings are not "events" for the purposes of this subchapter.

19:61-6.5 Attendance at an event sponsored by an entity other than an interested party

(a) The State official shall secure the prior approval of the department head to attend such an event.

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(b) The State may pay the reasonable expenses of the State official associated with attending the event or may permit the State official to accept direct or indirect benefits. Direct or indirect benefits may include the following:

1. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence and allowable entertainment expenses associated with attending an event in New Jersey if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey;

2. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence outside New Jersey, not to exceed \$500.00 per trip, if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey. The \$500.00 per trip limitation shall not apply if the reimbursement or payment is made by:

i. A nonprofit organization of which the State official is, at the time of reimbursement or payment, an active member as a result of the payment of a fee or charge for membership to the organization by the State;

ii. A nonprofit organization that does not contract with the State to provide goods, materials, equipment, or services; or

iii. Any agency of the federal government, any agency of another state or of two or more states, or any political subdivision of another state.

(c) An interested party shall not provide a direct or indirect benefit to the State official in order to facilitate his or her attendance.

(d) A State official making a speech or presentation at the event shall not accept an honorarium or fee from the sponsor.

(e) Under no circumstances shall a State official accept entertainment collateral to the event, such as a golf outing, or meals taken other than in a group setting with all attendees, or reimbursement therefore.

Examples:

An employee of the Commerce, Economic Growth and Tourism Commission has been invited, by the Mexican Tourist Bureau, an agency of the Mexican government, to attend a series of meetings on promoting tourism in both countries. The employee will be giving a speech at dinner on the final day of the meetings and has been offered a \$500.00 honorarium. The employee may attend the meetings but is not permitted to accept an honorarium in connection with his speech. He may accept, directly or by reimbursement, actual expenditures for travel and reasonable subsistence for which no payment or reimbursement is made by the State, not to exceed the statutory limit of \$500.00.

A local non-profit organization would like to hold a dinner/fundraiser honoring a Technical Assistant at the Department of Insurance who has been a long-time supporter of the organization. The organization plans to use the Technical Assistant's picture, name and official title on the promotional literature. The Technical Assistant may attend the event but is prohibited from allowing such use of his official title for fundraising purposes.

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19:61-6.6 Use of official title for private fundraising

A State official shall not permit the use of his or her official title for the purpose of fundraising for a private organization.

19:61-6.7 Compensation for published work(s)

(a) A State official shall not accept compensation for published work(s) created as part of his or her official duties on State time utilizing State resources, but may accept compensation for published works not created as part of his or her official duties.

(b) A State official shall secure the permission of the department head to accept compensation for published work(s) not created as part of his or her official duties. In determining whether such approval can be granted, the Department head shall consider the provisions of the Conflicts of Interest Law, the uniform ethics code, the agency code of ethics, any applicable Executive Orders, the Commission's Guidelines for Secondary Employment, any other applicable guidelines or rules of the Commission, any applicable administrative policies of the agency, and the following conditions:

1. Whether compensation is being paid by an interested party;
2. Whether the published work(s) uses or discloses information not generally available to the public;

(c) The State official shall prepare the published work(s) on his or her own time, without using the services of other State officials or resources owned by the State.

(d) The State official shall not use his or her official title in any way in soliciting compensation.

Examples:

As part of his official duties, a Department of Transportation employee evaluates surveying equipment and trains Department employees on its use. The employee recently completed an in-depth evaluation of ten different types of surveying instruments and made a recommendation to the purchasing unit. The employee would like to publish the entire report in Transportation Magazine. He has been offered \$500 for the article. The Department must make a policy decision as to whether the article may be published. The employee is prohibited from accepting compensation for the article, even if the Department grants permission for the publication, since it was created as part of his official duties prepared on State time and utilizing State resources.

An Environmental Technician at the Department of Environmental Protection has been asked to write an article for an environmental journal on how New Jersey's automobile emission standards differ from those of Pennsylvania. He has been offered \$500 for the article. The Environmental Technician is permitted to publish the article and receive compensation since it is on a subject matter related to, but not a part of, his official duties, so long as he prepares the article at home, on his own time, without using any State resources.

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19:61-6.8 Approval request form

(a) State officials shall use the following form to request approval to attend events.

REQUEST FOR APPROVAL FOR ATTENDANCE AT EVENT

DEPARTMENT OF _____

Name _____ Division _____

Title _____ Telephone _____ FAX _____

E-mail address _____

Event _____

Sponsor _____

Is the sponsor an "interested party"? Yes ___ No ___

Is the State official a speaker, panel participant or resource person? Yes ___ No ___

Is the sponsor an agency of the federal government, one or more other states or a political subdivision thereof?
Yes ___ No ___

Is the sponsor a nonprofit organization? Yes ___ No ___

If Yes, is the employee or agency a member? Yes ___ No ___

Does the nonprofit organization have any contracts with the State? Yes ___ No ___

Location _____ Date(s) _____

Overnight accommodation required? Yes ___ No ___

Out-of-state travel required? Yes ___ No ___

Estimated cost? \$ _____

Agency to pay cost? Yes ___ No ___

Sponsor to pay cost? Yes ___ No ___

Employee to pay cost? Yes ___ No ___

Reason for attendance: _____

Will sponsor offer an honorarium or fee? Yes ___ No ___

Employee Signature Date

NOTE: Any substitutions or changes of circumstances must be reported.

Attendance approved Yes ___ No ___ Note: Acceptance of honoraria or fees is not permitted.

Conditions: _____

Signature

Date

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APPENDIX C

STATE EMPLOYEES' PARTICIPATION IN POLITICAL ACTIVITIES

Summarized below are Commission cases addressing State employees' participation in partisan political activities. The Commission permits involvement in partisan political activities provided that there is no provision in the Departmental code of ethics prohibiting such activities. (Election Law Enforcement Commission, State Ethics Commission and several other agency codes have specific provisions prohibiting such activities.) State employees, however, may not use State time or State resources in pursuit of such activities and must provide notice to the Departmental Ethics Liaison Officer.

Two sections of the Conflicts Law, *N.J.S.A.* 52:13D-14 and 24, address the acceptance and/or solicitation of campaign contributions.

Section 14 provides:

No State officer or employee, special State officer or employee, or member of the Legislature shall accept from any person, whether directly or indirectly and whether by himself or through his spouse or any member of his family or through any partner or associate, any gift, favor, service, employment or offer of employment or any other thing of value which he knows or has reason to believe is offered to him with intent to influence him in the performance of his public duties and responsibilities. This section shall not apply to the acceptance of contributions to the campaign of an announced candidate for elective public office.

Section 24 provides:

a. No State officer or employee, special State officer or employee, or member of the Legislature shall solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift, honorarium, out-of-State travel or subsistence expense or other thing of value from any source other than the State of New Jersey, for any service, advice, assistance, appearance, speech or other matter related to the officer, employee, or member's official duties, except as authorized in this section.

...

c. This section shall not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office, except that campaign contributions may not be accepted if they are known to be given in lieu of a payment prohibited pursuant to this section.

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In Case No. 45-73, a member of the Commission on Legalized Games of Chance requested an opinion from the Commission as to whether the provisions of the Conflicts of Interest Law would restrict his involvement in political activities in the county where he resided. The Attorney General's Office was asked to review the request and issued an opinion which advised that the State official was permitted to engage in political activities, barring a prohibition against such activities in the Department's Code of Ethics.

In Case No. 201-75, the Commission referred a request for advice as to whether a member of a County Board of Taxation was permitted to become a candidate for and, if elected, hold an Assembly seat, to the Attorney General. Attorney General Opinion M75-2075 concluded that a member of a County Board of Taxation holds a State office of profit within the meaning of Article IV, Section V, Paragraph 4, of the New Jersey Constitution and, as such, was permitted to become a candidate for a seat in the Legislature, but, if elected, must resign as a County Board Member before taking his Legislative seat.

In Case No. 435-77, the Commission determined that a Department of Health employee was permitted to serve as chairman or co-chairman of a public employees' committee in support of a gubernatorial candidate. The State employee was cautioned that he must not use or attempt to use his official position to secure unwarranted privileges or advantages for the candidate of his choice. Further, he must be careful not to permit his political activities to conflict with the proper discharge of his duties in the public interest.

In Case No. 756-79, the Commission determined that it would not be a conflict of interest for a member of a County Board of Taxation to simultaneously serve as a Commissioner on the County Tax Board and hold the position of County Chairman of a political party in the same county.

In Case No. 972-81, the Commission determined that a Housing Finance Agency ("HFA") employee was permitted to run for municipal office in a municipality where housing projects sponsored by the HFA were located. The employee was cautioned that, if elected, she should not have any dealings with any project located in East Orange as long as she was a member of the Council.

In Case No. 987-81, the Commission affirmed the Department of Labor Ethics Committee determination that the employee's position as a Democratic State Committeeman and Member of the Warren County Democratic Committee as well as his candidacy for the Lopatcong Township Council did not constitute a violation of the Conflicts of Interest Law. The Commission also concurred with the caveats imposed by the Department prohibiting the use of State time, stationery and telephones by the employee for his political activities and further extended this prohibition to include any other State resources.

In Case No. 34-85, two members of the Board of Dentistry were advised that *N.J.S.A.* 52:13D-24 expressly permits the solicitation and acceptance of campaign contributions for announced candidates for elective public office. The dentists were cautioned, however, about political activities which directly involve persons subject to licensure and review by the Board of

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Dentistry. The dentists sent letters, on personal stationery, to thousands of New Jersey licensed dentists, to solicit re-election campaign funds for a New Jersey Assemblyman.

In May 1990, the Casino Control Commission ("CCC") requested an Advisory Opinion from the Commission as to whether certain political activities, if engaged in by members of the CCC, would violate ethical restrictions contained in the Casino Control Act or the CCC's Code of Ethics. Because this request involved a statutory interpretation, the Attorney General's Office was asked to review it. An Opinion was received which stated that, given the directive in the Casino Control Act that the CCC promulgate a code of ethics modeled upon the Code of Judicial Conduct, it appeared that without a legislative change to the Casino Control Act, members of the CCC were prohibited from those political and partisan activities that are prohibited by the Code of Judicial Conduct.

In Case No. 17-95, a County Superintendent of Elections employee was advised that she was permitted to run for a council seat in a partisan political election because her responsibilities as Program Coordinator involved only student voter registration, the planning of educational programs and the handling of press releases and correspondence. The employee had no responsibilities in connection with the election process. She was advised, however, that she should have no involvement with student voter registration activities in the municipality in which she was a council candidate.

In 1997, in Case No. 29-97, the Commission considered the effect of section 16(b) of the Conflicts Law on State officers and employees who serve as campaign treasurers. Section 16(b) prohibits State officers and employees from representing, appearing for or negotiating on behalf of, or agreeing to perform any of those activities for, a party other than the State in connection with any matter pending before any State agency. The Commission's precedent has established that signing reports, making telephone calls, attending meetings and/or responding to inquiries by a State agency on behalf of a third party are acts of representation. Campaign reports must be signed by the campaign treasurer and submitted to the Election Law Enforcement Commission ("ELEC"), a State agency, and in the event of a complaint to ELEC, the treasurer would be required to appear in person or respond in writing to ELEC's inquiry. Thus, a State officer or employee is prohibited from serving as a campaign treasurer because the treasurer's duties include representing the campaign organization and/or the candidate before ELEC.

In Case No. 07-01, a County Superintendent of Elections employee was advised that his proposed participation in his friend's campaign for municipal office was not appropriate under the application of section 23(e)(5), activity which might reasonably be expected to impair objectivity and independence of judgment, and section 23(e)(7), appearance of impropriety. In his official capacity, the employee supervised a staff of 53 employees, represented the Superintendent of Elections at necessary functions, and assisted voters and interested parties by providing requested records.

The employee expected to participate in the following political activities: door-to-door campaigning, participating in phone bank work, coordinating volunteers, giving instructions on

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election procedures, staffing the campaign headquarters, participating in voter registration drives, attending rallies and fundraising events, and preparing mailings to registered voters.

In prohibiting the activity, the Commission balanced the State employee's interests with the public's interest in ensuring fair and unbiased elections.

In Case No. 05-03, the Commission considered an allegation that a Department of Community Affairs ("DCA") employee violated the Political Activities Prohibition of the DCA Code of Ethics when her name and picture appeared on a campaign mailer for a local mayoral candidate. The campaign mailer prominently featured the State employee in her capacity as a former mayor. It did not mention her role with the State and did not reference any relationship between the municipality and the DCA. Section XI, Political Activities Prohibition, of the DCA Code provides as follows:

An employee shall not directly or indirectly use or seek to use his authority or the influence of his position to control or modify the political action of another person. An employee during the hours of duty shall not engage in political activity; nor shall he at any other time participate in political activities, which would impair his usefulness in the position in which he is employed. A State employee retains the right to vote as he chooses and to express his opinions on political subjects and candidates.

The Commission dismissed the allegation, noting that Section XI of the DCA Code of Ethics specifically states that a State employee retains the right to express opinions on political subjects and candidates. The State employee exercised that right when she endorsed the candidate in his election campaign.

Additional Restrictions. The Department of Personnel has issued regulations that address the political activities of State employees. These regulations, which reference the Federal Hatch Act, are not administered or enforced by the Commission and are printed here for the reader's information and convenience.

N.J.A.C. 4A:10-1.2 Political Activity

- a. No employee in the career or senior executive service shall directly or indirectly use or seek to use his or her position to control or affect the political action of another person or engage in political activity during working hours. See *N.J.S.A. 11A:2-23*.
- b. No employee in the career, senior executive, or unclassified services whose principal employment is in connection with a program financed in whole or in part by Federal grants or loans, shall engage in any of the following prohibited activities under the Hatch Act (5 U.S.C. §§ 1501 et seq.):

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1. Use official authority or influence for the purpose of interfering with or affecting the result of an election or nomination for office;
 2. Directly or indirectly coerce, attempt to coerce, command, or advise a State, county, or municipal officer or employee to pay, lend, or contribute anything of value to a party, committee, organization, agency, or person for political purposes; or
 3. Be a candidate for elective office, if the salary of the employee is paid completely, directly or indirectly, by Federal grants or loans, except that this prohibition shall not apply to:
 - i. The Governor or Lieutenant Governor or an individual authorized by law to act as Governor;
 - ii. The mayor of a city;
 - iii. A duly elected head of an executive department of the State or a municipality, which office does not fall under the Civil Service Act at Title 11A, New Jersey Statutes; or
 - iv. An individual holding elective office.
- c. The office of the Special Counsel of the United States Merit Systems Protection Board has responsibility for the investigation of Hatch Act matters.

***N.J.A.C. 4A:2-5.1* General provisions**

- b. An appointing authority shall not take or threaten to take any action against an employee in the career service or an employee in the senior executive service with career status based on the employee's permissible political activities or affiliations. This subchapter shall also apply to State service employees in the unclassified service who do not serve in policy-making or confidential positions.

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STATE OF NEW JERSEY OUTSIDE ACTIVITY QUESTIONNAIRE

The most recent version of the Outside Activity Questionnaire is available on the SEC's website, <https://nj.gov/ethics/docs/statutes/outsideactfillin.pdf>.

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APPENDIX E

GUIDELINES GOVERNING OUTSIDE ACTIVITIES

These Guidelines present a comprehensive overview of decisions and policies of the State Ethics Commission concerning outside activities, both compensated and uncompensated. The Commission has addressed outside activities under the application of standards embodied in the New Jersey Conflicts of Interest Law, *N.J.S.A.* 52:13D-12 et seq.: sections 16, representation, appearance or negotiation regarding a proceeding pending before a State agency; 17.2(b), State employee/family member relationships with casino applicants or licensees, medical cannabis permit holders, applicants, or entities, and personal use cannabis license holders, applicants, or entities; 19, contracts with State agencies; 23(e)(1), interest in substantial conflict with official duties; 23(e)(2), licensed or regulated activities; 23(e)(3), unwarranted privilege; 23(e)(5), employment or service reasonably expected to impair objectivity and independence of judgment; 23(e)(7), appearance of impropriety; 24, receipt of thing of value for service related to official duties; 25, information not generally available to the public; and *N.J.A.C.* 19:61-6.7(b), compensation for published works.

Uniform Ethics Code. Pursuant to Section VI of the Uniform Ethics Code, State officers and employees must obtain the approval of the agency Ethics Liaison Officer prior to engaging in any outside activity. An agency may find it administratively efficient to exempt disclosure of specific kinds of outside employment; for example, part-time work for businesses not related to the position of employment in the agency.

Agency Code of Ethics. Each State agency is required to promulgate a code of ethics to address the particular needs and problems of the agency. The agency code of ethics is a supplement to the Uniform Ethics Code and may prohibit certain types of outside employment.

Outside activities disapproved by a State employee's agency may be appealed to the Commission. Appeals should be directed in writing to the Executive Director, State Ethics Commission, 225 East State Street, P.O. Box 082, Trenton, NJ 08625.

Review/Approval Process. The following issues must be examined by the agency Ethics Liaison Officer in determining whether an outside activity can be approved. Does the outside position require representation before a State agency? Does the outside position involve a casino licensee or applicant for a casino license? Does the outside activity involve contracting with a State agency? Is there a significant overlap in the duties and responsibilities of the two positions? Does the State employee's agency have control, supervision, or jurisdiction over the outside entity? Does the outside entity receive grants from or contract with the State employee's agency? Does the outside activity involve a published work? Does the outside interest involve political activity? These Guidelines present summaries of past Commission cases, organized under the questions listed above. The case presentations are solely to provide examples of outside activities that have

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been addressed by the Commission. Also included are general explanations of the statutory provisions applicable to outside employment/volunteer activities.

Does the Outside Position Require Representation Before a State Agency? Section 16(a) of the Conflicts Law prohibits a special State officer or employee, or any partnership, firm or corporation in which he has an interest, from representing, appearing for, or negotiating on behalf of, or agreeing to perform any of the aforementioned, on behalf of any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the particular agency in which such special State officer or employee holds office or employment.

Section 16(b) of the Conflicts Law prohibits a State officer or employee, or any partnership, firm or corporation in which he has an interest, from representing, appearing for, or negotiating on behalf of, or agreeing to perform any of the aforementioned, on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before *any* State agency.

“Interest” is defined in section 13(g) of the Conflicts Law as (1) the ownership or control of more than 10% of the profits or assets of a firm, association, partnership, or more than 10% of the stock in a for-profit corporation, other than a professional service corporation or (2) the ownership or control of more than 1% of the stock in any corporation which is the holder of or applicant for a casino license or in any holding or intermediary company with respect thereto. In the case of a professional service corporation, the provisions governing the conduct of individuals are applicable to shareholders, associates or professional employees regardless of the extent or amount of their shareholder interest in such corporation.

Section 16(c) sets forth exceptions to the general prohibitions of sections 16(a) and 16(b). Those exceptions include matters (1) pending before any court of record in the State, (2) in regard to a workers’ compensation claim, (3) in connection with the determination or review of transfer, inheritance or estate taxes, (4) in connection with filing of corporate or other documents in the Office of the Secretary of State, (5) before the Division on Civil Rights, (6) before the State Board of Mediation, (7) before the Public Employment Relations Commission, (8) before the Unsatisfied Claim and Judgment Fund Board, (9) before any State agency on behalf of a county, municipality or school district or any authority, agency or commission thereof except where the State is an adverse party and provided the State employee does not hold office or employment in the State agency where the matter is pending.

Engineers. In Case No. 6-93, the Commission was asked to consider the extent of the section 16(b) prohibition in the case of a Department of Transportation Project Engineer. The Project Engineer requested an opinion as to whether his secondary employment performing dam inspections for private land owners and completing reports to be submitted to the Department of Environmental Protection and Energy (“DEPE”) constituted representational activity prohibited by section 16(b). The Commission determined that the preparation of the dam inspection reports, attendance at meetings at the DEPE, telephone conversations with DEPE employees regarding the reports and the submission of correspondence to DEPE on behalf of clients constituted representational activity prohibited by section 16(b) of the Conflicts Law. The Commission also

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determined that submission of the reports by the third-party clients would not mitigate the violation.

In several cases since 1993, the Commission has found that State employees who sign documents, make telephone calls or submit correspondence in connection with matters pending before a State agency are in violation of section 16.

Tax Preparers. The Commission has addressed the issue of whether a State employee's outside employment preparing State income tax returns is violative of section 16(b) of the Conflicts Law on a number of occasions (Cases No. 619-77, 830-79, 828-79, 908-80). In these cases, the Commission permitted the State employees to continue their outside employment as tax preparers, but advised them that they had an obligation to inform clients that in the event of a dispute, the State employees could not appear before the Division of Taxation or any other State agency. In 1993, the Commission revisited the issue, determined that the preparer's signature on the State tax return does not constitute representational activity, and confirmed its earlier rulings.

Attorneys. In Case No. 48-89, a Member of the Statewide Health Coordinating Council ("SHCC") requested advice from the Commission as to the applicability of Section 16(a) of the Conflicts Law to her situation. The Member secured employment in the health care department of a New Jersey law firm and asked what effect her employment with the firm would have on the firm and its clients. The firm, a partnership, represented providers of healthcare goods and services before the Department of Health, the SHCC, and other related public bodies. The Member's status with the firm was that of employee; she had no interest in the firm as defined in section 13(g) of the Conflicts Law.

The Commission advised the Member that section 16(a) prohibited her from representing, appearing for, or negotiating on behalf of any party other than the State in connection with any matter pending before the SHCC. This prohibition did not extend to the law firm because the Member had no interest in the firm.

In Case No. 394-76, the Commission considered whether it would be a conflict of interest for a Project Specialist, Department of Health ("DOH"), to maintain a part-time law practice out of his home. In his official capacity, the employee was responsible for developing and evaluating a rate system for payment of hospital costs based on diagnostically related illness. The Commission determined that the DOH employee was permitted to engage in the outside practice of law with the understanding that he refrain from representing any person or party, including non-New Jersey governmental agencies, in any case related to rate-setting in health care facilities or other providers of medical care. This would avoid any possibility that decisions or conclusions rendered in such a case could be used to challenge the rate systems in New Jersey. The DOH employee had voluntarily agreed that he would not represent any health care facilities or other providers of medical care within the State while employed by the DOH.

In Case No. 355-76, Administrative Assistant, Child Care Licensing Section, Division of Youth and Family Services, Department of Human Services, the Commission determined that no conflict existed between the Administrative Assistant's State position and his private law practice

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provided that he refrain from offering services in any child, family, or licensing matters in which DYFS was involved or might be involved.

Campaign Treasurer. In Case No. 29-97, the Commission determined that, under the operation of section 16(b) of the Conflicts Law, State employees are prohibited from acting as campaign treasurers because campaign reports signed by them must be submitted to the Election Law Enforcement Commission (“ELEC”), and, in the event of a complaint to ELEC, a State employee would be required to appear in person or respond in writing to ELEC’s inquiry.

Does the Outside Position Involve a Casino Licensee or Applicant, Medical Cannabis Permit Holder, Applicant, or Entity, or Personal Use License Holder, Applicant, or Entity?

State Officer or Employee. A State officer or employee, other than a State officer or employee included in the section 17.2(a) definition of “person,” may hold employment with a casino licensee or applicant, medical cannabis permit holder, applicant, or entity, or personal use cannabis license holder, applicant, or entity only if the Commission grants a waiver. A waiver of the prohibition can be granted if, in the Commission’s judgment, such employment will not interfere with the responsibilities of the State officer or employee and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest. Waivers may be sought by contacting the Commission.

Family Members. Members of the immediate family of a State officer or employee, or of a person, may also hold employment with a casino licensee or applicant, medical cannabis permit holder, applicant, or entity, or personal use cannabis license holder, applicant, or entity by obtaining a waiver from the Commission. An immediate family member is defined as a spouse, civil union partner, domestic partner, child, parent or sibling residing in the same household.

Does the Outside Activity Involve Contracting With a State Agency? Section 19(a) of the Conflicts Law prohibits a State officer or employee or from entering into a contract, valued at \$25 or more, with any State agency. A special State officer or employee having any duties or responsibilities in connection with the purchase or acquisition of property or services by the State agency is restricted from contracting with his/her agency. This prohibition also extends to partners or any corporation which the State officer or employee or special State officer or employee controls or in which he owns or controls more than 1% of the stock.

Section 19 exempts only three categories of contracts from this general prohibition: (1) contracts made after public notice and competitive bidding; (2) contracts that may be awarded without public advertising and competitive bidding pursuant to *N.J.S.A. 52:34-10* or similar provisions; and (3) contracts of insurance entered into by the Director of the Division of Purchase and Property, Department of the Treasury, pursuant to *N.J.S.A. 52:27(b)-62*.

State employees must receive the approval of the Commission prior to contracting under any of the section 19(b) exceptions. The Commission has approved many requests over the years by State employees to bid on contracts that are subject to public notice and competitive bidding. Such requests are generally approved if the contract in question is not with the State employee’s

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own agency. The Commission has relied on section 23(e)(7), the appearance section of the statute, in limiting a State employee's participation in the contracting process when the contract is with his/her own agency.

The Commission has also granted approval for contracts that may be awarded without public advertising and competitive bidding pursuant to *N.J.S.A. 52:34-10*, where the State employee is the sole source of supply for a particular good or service. *N.J.S.A. 52:34-10* also exempts purchases from the federal or any State government or any agency or political subdivision thereof; public exigency; contracts where more favorable terms can be obtained from a primary source of supply; seasonal articles or wearing apparel; where commodities traded on a national commodity exchange are to be purchased and fluctuations of the market require immediate action; or the equipment to be purchased is of a technical nature and procurement without advertising is necessary in order to assure standardization of equipment and interchangeability of parts.

In Case No. 7-91, the Commission for the Blind and Visually Impaired ("CBVI") requested that the Commission approve an exception to section 19 to permit the CBVI to contract with a State employee for the development of a computer software package. The State employee was identified by the CBVI as the sole source of supply for generating this program. The Commission approved the contract, pursuant to *N.J.S.A. 52:34-10*, with the understanding that all work would be performed on the State employee's own time and without the use of State resources.

In 1992, the Commission considered whether a Department of Human Services caseworker could continue to perform psychosocial evaluations of juvenile inmates for the Department of Corrections ("DOC"), Case No. 30-92. The Commission determined that section 19 permitted dual employment by two different State agencies but did not permit personal service contracts. The Commission determined that caseworker's arrangement with the DOC was a personal service contract that did not fall within the exception of section 19(b). They noted that while it was a contract that could be awarded without public notice and competitive bidding, the authority for such an award was *N.J.S.A. 52:34-9*; section 19(b) only allows contracts which are awarded pursuant to *N.J.S.A. 52:34-10*.

In Case No. 25-94, the Commission considered whether a Statistical Engineer, Bureau of Materials Engineering, Department of Transportation, was permitted, under section 19, to provide photography services to the State Museum and other State agencies. The Commission determined that the Statistical Engineer could not contract with the State Museum to perform photography work because the contracts were not subject to public notice and competitive bidding and did not fall within the exceptions of *N.J.S.A. 52:34-10*.

In Case No. 15-99, the Commission affirmed a Department of Human Services ("DHS") decision that a DHS employee was prohibited, under section 19 of the Conflicts Law, from serving as a pool attorney for the Office of the Public Defender ("OPD"). The OPD uses the services of licensed New Jersey attorneys to handle "pool" cases, cases that have multiple defendants or cases that employees of the OPD cannot handle because of the volume or backlog of work or a conflict of interest. The DHS employee appealed to the Superior Court, Appellate Division, which upheld the Commission's decision.

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Licensed or Regulated Activities. Pursuant to section 23(e)(2) of the Conflicts Law, all occupational, trade, business, or professional licenses issued by a State agency must be reported to the Commission. Such licenses include, but are not limited to, attorney, physician, nurse, pharmacist, engineer, real estate, insurance, private detective, and teacher. If the license is inactive, please so note. As is the case with any secondary employment activity, a State employee must receive the prior approval of the agency Ethics Liaison Officer prior to any outside use of a professional license.

Is There a Significant Overlap in the Duties and Responsibilities of the Two Positions? In Case No. 40-91, the Commission considered an appeal by the Director of Social Services, Office of Public Guardian (“OPG”), Department of Community Affairs (“DCA”), that her proposed pursuit of a private practice as an “Eldercare Consultant” was incompatible with her State position of Director of Social Services, OPG. The DCA Ethics Committee denied the secondary employment based on the fact that the two positions dealt with the same general area, the duties and responsibilities of the two positions were similar, and the possibility existed that there were individuals, organizations, and entities that the DCA employee might deal with in both positions. The Commission confirmed the ruling of the DCA Ethics Committee. The Commission reviewed the situation under sections 16(b), 23(e)(3), (5) and (7) of the Conflicts Law.

In Case No. 769-79, the Commission considered whether it would be a conflict of interest for the Coordinator, Government and Small Business Aids, Division of Economic Development, Department of Labor and Industry, to serve as a trustee of a local development corporation designed to help small businesses on a local level. The Commission noted that it appeared that the Coordinator would be providing on a local level the same service that he was authorized to offer in his State position. Moreover, it would not be unreasonable to expect that he would review applications for State aid submitted by the small businesses he had assisted on a local level. The Commission determined that it would be a conflict for the Coordinator to hold his present State position and concurrently serve as a trustee of the local development corporation. The Commission cited section 23(e)(5) in its determination.

In Case No. 1127-82, the Commission considered an appeal by the Assistant Chief of Vital Statistics and Registration, Department of Health (“DOH”), from a determination by the DOH that he should discontinue activities in connection with a company owned by him and a co-worker. The company sold vital records binders to municipalities for use by local registrars for the purpose of filing original vital records. In his official capacity, the State employee was responsible for assisting and instructing local registrars in a number of matters including maintenance of vital records files. His partner had even more contact with local registrars in that he was responsible for supervising and training vital statistics field personnel who provided technical assistance and guidelines to them. He further was responsible for conducting inspections of offices of local registrars to ensure compliance with federal and State laws and to ensure the proper maintenance of records. The Commission upheld the DOH’s determination that the sales activity had sufficient relationship to their official responsibilities so as to come within the prohibition of section 23(e)(5).

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Does the State Employee’s Agency Have Control, Supervision, or Jurisdiction over the Outside Employer? In numerous cases, the Commission has determined that State employees cannot engage in secondary employment when their activities are subject to regulation or inspection by the agency for which they work.

In Case No. 20-92, a Public Health Representative 1, Office of Emergency Medical Services (“OEMS”), Division of Health Facilities Evaluation and Licensing (“DHFEL”), Department of Health (“DOH”), appealed a decision of the DOH Ethics Committee that her secondary employment as a per diem evening shift nursing supervisor at a local hospital constituted a conflict of interest with her Departmental employment. The OEMS is responsible for certifying and conducting routine inspections of hospital-based Mobile Intensive Care Unit programs.

In her capacity as an evening nursing supervisor at the hospital, the DOH employee was the on-site administrator in charge of the hospital during her shift. She had received approval from her supervisor prior to accepting the outside employment. Subsequent to that approval, OEMS was transferred to the DHFEL. The DHFEL is responsible for licensing health facilities in the State and for conducting inspections of the facilities to ensure compliance with statutory and regulatory requirements. The Commission found that the DOH Ethics Committee had balanced the integrity of the DOH’s inspection system against the employee’s ability to pursue part-time employment and affirmed the ruling of the Committee and the policy prohibiting such activities. The Commission reviewed the situation under sections 23(e)(5) and (7) of the Conflicts Law.

In Case No. 26-92, the Commission concurred with the Department of Law and Public Safety that a Safety Specialist, Division of Motor Vehicles (“DMV”), could not engage in outside employment repairing small holes, chips and cracks in automobile windshields because his customers would be subject to DMV inspection.

In Case No. 24-97, a Conservation Officer III, Division of Fish, Game and Wildlife, Department of Environmental Protection (“DEP”), appealed the DEP’s denial of his secondary employment request to participate in the commercial harvest of eels/elvers. The DEP, through the Division, regulates and oversees New Jersey’s freshwater fisheries and regulates the commercial harvest of elvers. The DEP employee, in his official capacity, spent between 40 and 60 percent of his enforcement hours working on elvering enforcement during the season. The Commission concurred with the DEP’s decision that the employee be denied permission to engage in the commercial harvest of eels/elvers. The Commission reviewed the situation under sections 23(e)(1), (4), (5), and (7) of the Conflicts Law.

Does the Outside Entity Receive Grants from or Contract with the State Employee’s Agency? In July 2000, in Case No. 20-00, the Commission determined that, in the absence of enabling legislation, code of ethics or other applicable guidelines, regulations, or policies that prohibit such activity, that all outside employment situations involving grant or contractual relationships take into account the following factors, in addition to the other factors set forth in these Guidelines, in determining whether approval may be granted.

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- Whether the position in question was created as a result of the State grant or contract.
- Whether the State employee is in a policymaking or decision-making position.
- Whether the State employee had any involvement in the drafting or review of the RFP, the award of the grant, negotiation of the contract, or has oversight responsibilities in connection with the grant or contract.
- Whether the State employee, in his/her official capacity, has authority to refer clients to the outside entity.
- Whether the outside position is in the same geographic area as the employee's State position.
- Whether the State employee has had or can be expected to have any official interaction with the grant recipient or contractor in his/her official capacity.

In Case No. 20-00, the Commission noted that its previous decisions regarding special State officers remained unchanged. Board and commission members make policy, establish grant criteria, review proposals, make decisions, oversee grants and can be expected to have official interaction with the grant recipient(s). Thus, special State officers cannot represent parties before their agencies, cannot receive funding, directly or indirectly, from their agencies, and cannot provide services for agency-funded programs.

Published Works. Under N.J.A.C. 19:61-6.7(b), section 24 of the Conflicts Law, and Commission precedent, a State employee may accept compensation for published works under the following conditions.

- There is no prohibition governing such activity in the Department's enabling legislation or Code of Ethics.
- The State employee must obtain prior approval from his/her Department head.
- The published work must not use or disclose information not generally available to the public.
- The State employee must not use State time or resources in connection with the published work.
- The State employee must not use his/her official title in connection with publication or promotion of the published work.
- The State employee cannot promote, advertise or solicit sales of the published work to co-workers or individuals with whom he/she has official dealings.

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- The State employee may not contract to sell the published work to the State except in compliance with section 19 of the Conflicts Law.
- The published work must not have been prepared as part of the State employee's official duties.

In addition, under the current rule, the receipt of compensation from an "interested party" is not prohibited, but is a factor to be considered in deciding whether to grant approval.

In Case No. 255-75, the Commission considered whether employees of the Public Broadcasting Authority ("PBA") could receive a compensation fee for journalistic work used on a commercial station. Various journalists employed full-time by the PBA were approached for the use of news items that they wrote during the hours that they were employed by the State. These scripts, films or tapes were being used on commercial TV channels. The commercial stations wished to compensate the journalists for the use of their work. The Commission determined that it would be a violation of section 24 of the Conflicts Law for State employees to receive compensation from any source other than the State for news items created as part of their official duties.

In Case No. 3-84, the Commission found that the Supervising Program Development Specialist, Bureau of Research, Division of Youth and Family Services ("DYFS"), Department of Human Services ("DHS"), could not accept a cash award from a gerontological society for a paper prepared by him as a DYFS employee.

The DHS was awarded a grant to study abuse of the elderly. Because of his experience in the field of gerontology, the State employee was assigned the task of preparing a paper on the subject as part of his official duties. The paper was prepared entirely on State time with grant monies administered by the State. The State employee then submitted the paper for consideration for an annual research award and was the recipient of that award. The Departmental Ethics Review Board concluded that the acceptance of the cash award was violative of the Department's Code of Ethics. The Commission noted that the employee had solicited the award and affirmed the DHS' determination. The State employee appealed the Commission's decision to the Superior Court, Appellate Division, which upheld the Commission's determination.

In 1997, the Department of Law and Public Safety requested an opinion as to whether a Division of Law Deputy Attorney General ("DAG") was permitted to co-author a book about psychics and the paranormal, Case No. 3-97. The DAG wanted to write the book in her private capacity and use her married name (she is known by her maiden name in her employment with the Department). The Commission determined that the DAG was permitted to co-author the book under the following conditions: that she not refer to her status as a DAG or member of the Department; that she not permit the use of her title or employment in connection with publication or promotion of the book; that she not write about an active case or use information not generally available to the public; that she avoid any legal analysis that could be interpreted as Division of

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Law work product; that she not use State time or resources in connection with her outside activity.

In Case No. 34-98, the Commission determined that the Managing Actuary, Division of Life and Health, Department of Banking and Insurance ("DOBI"), was permitted to co-author and market a study guide utilized by students preparing to take the Society of Actuaries ("SOA") professional examination under the Commission's rules, precedent, the Conflicts of Interest Law and the DOBI Code of Ethics. In approving the activity, the Commission took into account the following factors: the study guide is sold nationally and not just to New Jersey exam registrants, the employee co-authored the book while at Temple, uses only his name and not his official title in connection with the study guide and does not directly solicit regulated entities.

Additional examples of published works situations that have been addressed by the Commission can be found under "Published Works" at http://nj.gov/ethics/statutes/guide/published_works.html.

Political Activity. The Commission permits involvement in partisan political activities provided that there is no provision in the agency code of ethics prohibiting such activities. State employees, however, may not use State time or State resources in pursuit of such activities and must notify their Departmental Ethics Liaison Officer. The Department of Personnel has issued regulations that address the political activities of State employees. These regulations, which reference the Federal Hatch Act, are not administered or enforced by the Commission.

In Commission Case No. 435-77, the Commission determined that a Department of Health employee was permitted to serve as chairman or co-chairman of a public employees' committee in support of a gubernatorial candidate. The State employee was cautioned that he must not use or attempt to use his official position to secure unwarranted privileges or advantages for the candidate of his choice. Further, he must be careful not to permit his political activities to conflict with the proper discharge of his duties in the public interest.

In Commission Case No. 34-85, two members of the Board of Dentistry were advised that *N.J.S.A. 52:13D-24* expressly permits the solicitation and acceptance of campaign contributions for announced candidates for elective public office. The dentists were cautioned, however, about political activities which directly involve persons subject to licensure and review by the Board of Dentistry. The dentists sent letters, on personal stationery, to thousands of New Jersey licensed dentists, to solicit re-election campaign funds for a New Jersey Assemblyman.

Additional examples of political activity situations that have been addressed by the Commission can be found under "Political Activities" at http://nj.gov/ethics/statutes/guide/political_activities.html.

Prohibited Outside Activity – Certain Officials. Section 24d.(1) of the Conflicts Law prohibits certain designated State officers from soliciting, receiving or agreeing to receive, whether directly or indirectly, any compensation, salary, honorarium, fee, or other form of

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income from any source, other than the compensation paid or reimbursed to him/her by the State for the performance of official duties, for any service, advice, assistance, appearance, speech or other matter, except for investment income from stocks, mutual funds, bonds, bank accounts, notes, a beneficial interest in a trust, financial compensation received as a result of prior employment or contractual relationships, and income from the disposition or rental of real property, or any other similar financial instrument and except for reimbursement for authorized travel.

For the purposes of this provision, designated State officer includes: the Governor, the Adjutant General, the Secretary of Agriculture, the Attorney General, the Commissioner of Banking and Insurance, the Secretary and Chief Executive Officer of the Commerce and Economic Growth Commission, the Commissioner of Community Affairs, the Commissioner of Corrections, the Commissioner of Education, the Commissioner of Environmental Protection, the Commissioner of Health and Senior Services, the Commissioner of Human Services, the Commissioner of Labor and Workforce Development, the Commissioner of Personnel, the President of the State Board of Public Utilities, the Secretary of State, the Superintendent of State Police, the Commissioner of Transportation, the State Treasurer, the head of any other department in the Executive Branch, and the following members of the staff of the Office of the Governor: Chief of Staff, Chief of Management and Operations, Chief of Policy and Communications, Chief Counsel to the Governor, Director of Communications, Policy Counselor to the Governor, and any deputy or principal administrative assistant to any of the aforementioned members of the staff of the Office of the Governor.

Note also that, pursuant to Section X of the Uniform Ethics Code, an agency head or assistant head is prohibited from engaging in any private business transactions with any employee of his/her agency.

General Caveats. The Commission generally provides the following advice to individuals with approved outside activities. State time cannot be used for outside activities. State resources, including but not limited to telephones, facsimile machines, e-mail, copy machines, mail service and office supplies, cannot be used for outside activities. Coworkers and/or individuals with whom the State employee comes in contact in his/her official capacity cannot be solicited as clients for outside activities, including but not limited to real estate services, cosmetic sales, consulting services, and legal services. State employees are also prohibited from referring clients to any firm with which they are associated.

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APPENDIX F

Blind Trusts

1. For those situations where a blind trust may be utilized by a State officer or employee or special State officer or employee, his/her spouse or domestic partner or dependent children, and approved by the Commission, such trust shall contain the following characteristics:

a. The trust shall not contain investments or assets in which the holder's ownership right or interest is required to be recorded in a public office or those assets whose permanency makes transfer by the trustee improbable or impractical; these investments or assets would include, but not be limited to, businesses, real estate, security interests in personal property and mortgages;

b. The trust shall contain a clear statement of its purpose, namely, to remove from the grantor control and knowledge of investment of trust assets so that conflicts between grantor's responsibilities and duties as a public employee or public officer and his or her private business or financial interests will be eliminated;

c. The trust shall be irrevocable, and shall be terminated only upon the death of the public employee or public officer or upon termination of his or her status as a public employee or public officer whichever shall first occur;

d. The trustee shall be directed not to disclose to the grantor any information about any of the assets in the trust;

e. The trustee shall be required either to:

(1) prepare and file the grantor's personal income tax returns, withholding from distribution of the trust's net income amounts sufficient to pay the grantor's tax; and further to participate in the audit of the grantor's returns during the period of the trust with authority to compromise the grantor's tax liability; or

(2) submit to the grantor, for income tax purposes, a certification of income paid without identifying the assets producing such income;

f. Among its other powers, the trustee shall have authority to determine whether any of the assets originally transferred to the trustee are to be sold and, if so, when;

g. A provision shall be included in the trust agreement prohibiting the trustee from investing the trust property in corporations or businesses which do a significant amount of business with the State of New Jersey or from knowingly making any investment in a corporation, business or venture over which the grantor has regulatory or supervisory authority by virtue of his or her official position;

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- h. The grantor shall retain no control over the trustee nor shall he or she be permitted to make any recommendations or suggestions as to the trust property;
 - i. The trustee shall be a commercial trustee and not a natural person;
 - j. The principal benefit to be retained by the grantor shall be the right to receive income from the assets transferred to the trust;
 - k. The trust shall not become effective until submitted and approved by the Commission; and
 - l. The trust agreement shall provide the trustee will give the Commission access to any records or information related to the trust which is necessary for the performance of the Commission's duties.
2. A copy of the executed blind trust agreement shall be filed with the Commission and with the head of the department in which the State officer or employee holds his/her position. If the grantor is the head of the department, a copy of the executed blind trust shall be filed with the Chief Counsel to the Governor. Attached to such copy shall be a brief statement outlining the business or financial interests from which the State officer or employee seeks to remove himself/herself and the actual or potential conflicts of interest, or appearance of such conflicts, which he/she seeks to avoid by use of the trust agreement.

Blind Trust.doc

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APPENDIX G

GUIDELINES GOVERNING THE USE OF OFFICIAL STATIONERY

State officers and employees and special State officers and employees frequently write letters for various purposes which are not always related to their official duties. Questions about the propriety of letters written on State stationery to further the personal interest of the officer or employee or another individual or entity have been addressed to the State Ethics Commission. To help resolve these questions, the Commission has established the following Guidelines to clarify the use of official stationery for purposes other than the conduct of a State agency's business.

Permissible Uses of Official Stationery

The Commission has determined that the following uses of State stationery are generally permissible:

1. To recommend a current or former employee or colleague for another position, admission to a school or program, etc.

Example: Recommending a subordinate for admission to graduate school.

2. To respond to inquiries from a private entity about a current or former employee or colleague.

Example: Providing a character reference for an employee to an adoption agency during the course of the employee's application to adopt a child.

Note: These permissible uses are only acceptable so long as the use of official stationery does not create an impression that the State officer or employee is engaged in an unwarranted use of his or her position. For example, it would not be appropriate for a State employee to recommend an individual for inclusion in a program over which the State employee has supervisory or regulatory authority. In addition, there must be a reasonable connection between the officer's or employee's official duties and the use and purpose of the letter.

Impermissible Uses of Official Stationery

The Commission has determined that the following examples represent clearly impermissible uses of State stationery:

1. To promote a candidate for elective office.

Example: Writing an endorsement of a candidate for the legislature for inclusion in a campaign pamphlet.

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2. To endorse a State vendor or contractor.

Example: Writing a letter of general recommendation for a State vendor for dissemination by the vendor. Note, however, that a letter complimenting the vendor for a job well done may be acceptable even though the vendor may later display the letter.

3. To express a personal opinion on a matter that is not related to one's official duties.

Example: Sending a letter to the editor of a newspaper commenting on a matter that is not related to the duties of the State officer or employee or his or her agency.

4. To secure a personal financial gain or pursue a vested interest for one's self.

Example: Writing to a private contractor (plumber, electrician) demanding a refund or a reduction in a quoted price.

Personal Stationery Imprinted with Agency, Office or Title

The Commission has determined that use of personal stationery imprinted with the agency office or title of a State officer or employee, even though paid for personally, is impermissible. Such stationery may create the appearance of official stationery or may create an impression that the State officer or employee is acting in an official capacity.

The Commission acknowledges that there are occasions when it may be appropriate for a State officer or employee to identify himself or herself by position or title in correspondence on personal stationery (i.e., stationery bearing the individual's name and home address).

Agency Use of Official Stationery for Solicitations

1. State agencies shall not solicit contributions of any kind from vendors to the agency or from entities regulated by the agency.

2. Solicitation of any other entities is subject to review and approval by the agency's Ethics Liaison Officer prior to any contact by the agency. The Ethics Liaison Officer must be advised of the purpose of the solicitation, the expected result, the identities of the entities to be solicited, whether there is any personal connection between the agency employees and the solicited entity, and must be provided with a sample of the solicitation letter.

3. The Ethics Liaison Officer should determine whether the solicitation would be problematic under the Uniform Ethics Code, the agency's code of ethics, the Conflicts of Interest Law, any Guidelines promulgated by the Commission, and/or any statutory provisions dealing with charitable contributions. The Ethics Liaison Officer should consider such factors as whether the agency has any business contacts with the recipients of the solicitation, whether any solicited products or services will directly benefit any agency employees, whether the solicitation is of

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such magnitude that it could be burdensome to the recipient, and whether the language of the solicitation is coercive.

4. The Ethics Liaison Officer shall copy the Commission on all determinations regarding solicitations.

Circumstances that do not fall within the permissible or impermissible examples above require an individual determination by the Commission. Questions and inquiries should be addressed to: State Ethics Commission, P.O. Box 082, Trenton, New Jersey 08625-0082; (609) 292-1892.

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APPENDIX H

POST-EMPLOYMENT RESTRICTIONS NEW JERSEY CONFLICTS OF INTEREST LAW

This memorandum presents a comprehensive overview of the State Ethics Commission's decisions, policies and guidelines concerning the post-employment provisions of the Conflicts Law. Presented below are general explanations of the statutory provisions as well as summaries of past Commission cases. The case presentations are designed only to provide examples of post-employment issues that have been addressed by the Commission. Specific questions regarding a particular situation should be addressed directly to the Commission.

The sections of the Conflicts Law covering post-employment are *N.J.S.A.* 52:13D-17, the general prohibition, and 17.2(c) and (d), the casino, medical cannabis, and personal use cannabis post-employment restrictions. In addition, the Uniform Ethics Code contains a one-year ban on certain State officials' interactions with their former agencies.

N.J.S.A. 52:13D-17 provides:

No State officer or employee or special State officer or employee, subsequent to the termination of his office or employment in any State agency, shall represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, or agree to represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, whether by himself or through any partnership, firm or corporation in which he has an interest or through any partner, officer or employee thereof, any person or party other than the State in connection with any cause, proceeding, application or other matter with respect to which such State officer or employee or special State officer or employee shall have made any investigation, rendered any ruling, given any opinion, or been otherwise substantially and directly involved at any time during the course of his office or employment. Any person who willfully violates the provisions of this section is a disorderly person, and shall be subject to a fine not to exceed \$1,000 or imprisonment not to exceed six months, or both.

In addition, for violations occurring after the effective date of P.L.2005, c.382, any former State officer or employee or former special State officer or employee of a State agency in the Executive Branch found by the State Ethics Commission to have violated any of the provisions of this section shall be assessed a civil penalty of not less than \$500 nor more than \$10,000, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (*C.2A:58-10 et seq.*).

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N.J.S.A. 52:13D-13(g) defines "interest" as:

“Interest” means: (1) the ownership or control of more than 10 percent of the profits or assets of a firm, association, or partnership, or more than 10 percent of the stock in a corporation for profit other than a professional service corporation organized under the “Professional Service Corporation Act,” P.L.1969, c. 232 (C.14A:17–1 et seq.); or (2) the ownership or control of more than one percent of the profits of a firm, association, or partnership, or more than one percent of the stock in any corporation, (a) which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the “Casino Control Act,” P.L.1977, c. 110 (C.5:12–1 et seq.), or (b) which is the holder of, or an applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c. 307 (C.24:6I–1 et al.), or any holding or intermediary company with respect thereto, or (c) which is the holder of, or an applicant for, a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c. 16 (C.24:6I–31 et al.), or which is an entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, or any holding or intermediary company with respect to thereto. The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

APPLICATION OF SECTION 17 - GENERAL POST-EMPLOYMENT PROHIBITION

Specific Cause, Proceeding, Application or Other Matter

Section 17 prohibits a former State officer or employee or special State officer or employee from representing, appearing for, negotiating on behalf of, providing information or services not generally available to the public or agreeing to perform any of those activities for any party, other than the State, in connection with those causes, proceedings, applications or other matters in which the officer or employee had made any investigation, rendered any ruling, given any opinion or been otherwise substantially and directly involved while in State employment. There is no time limit on this prohibition.

It is important to note that these restrictions apply to specific causes, proceedings, applications or other matters. This restriction does not extend to "determinations of general applicability or the preparation or review of legislation which is no longer pending before the

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Legislature or the Governor." In addition, the Commission determined *In the Matter of Walter J. Maibach*, Case No. 179-93, that a regulation enacted pursuant to rulemaking authority is analogous to legislation and, in accordance with the definition of section 13(h), is not a "matter" when it is no longer pending.

Whether a cause, proceeding, application or other matter at issue in a post-employment question is categorized as specific or general is a determination made by the Commission on a case-by-case basis. Questions about the nature of matters with which employees had involvement during the course of their official duties should be directed to the Commission.

Substantial and Direct Involvement

In certain situations it may be difficult to determine whether a former State officer or employee or special State officer or employee was "substantially and directly involved" in a certain matter or whether such officer or employee had merely been technically or formally involved. Such determinations are made as individual cases arise. In considering whether a former State employee had substantial and direct involvement in a matter, the Commission has typically reviewed such factors as whether the individual had supervisory responsibility, provided input, submitted reports, signed contracts on behalf of the agency, attended meetings, approved applications, had access to confidential information, or was directly involved in decision making.

Providing Information Not Generally Available to the Public

Section 17 prohibits former State officers and employees or special State officers or employees from providing information not generally available to the public. The Commission normally solicits input from the former officer's or employee's agency and also considers whether the information is available under the Open Public Records Act, *N.J.S.A.* 47:1A-1 et seq.

Application of Restriction to Partnership, Firm or Corporation

The restrictions contained in the Conflicts of Interest Law apply to the partnership, firm or corporation under the following circumstances: (1) if the former State officer or employee or special State officer or employee is a shareholder, associate or professional employee of a firm organized as a professional service corporation or (2) if the former State officer or employee or special State officer or employee owns or controls more than 10% of the stock of a corporation or more than 10% of the profits or assets of a firm, association or partnership.

The post-employment restrictions extend, therefore, to former State officers or employees and special State officers or employees personally and to any employees or officers of any professional service corporation with which he/she is employed or associated or is a shareholder. In addition, the restriction also extends to those employees or officers of partnerships, firms or corporations in which the former State officer or employee or special State officer or employee has more than 10% ownership or control. If a former State officer or employee or special State officer or employee is employed by a company in which he/she does not have more than a 10% interest, and the company is not a professional service corporation, the restrictions contained in

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the Conflicts Law pertain to him/her personally but do not extend to the corporation by which he/she is employed.

Penalty

Section 17 of the Conflicts Law was amended in 2006. For violations occurring after the effective date of the amendment, March 15, 2006, any former State officer or employee or former special State officer or employee of a State agency in the Executive Branch found by the Commission to have violated any of the provisions of section 17 shall be assessed a civil penalty of not less than \$500 nor more than \$10,000.

In addition, the fine for a violation of section 17 that is punishable as a disorderly persons offense was increased from \$500 to \$1,000.

SAMPLE GENERAL POST-EMPLOYMENT CASES ADDRESSED BY THE COMMISSION

Employment With a Firm With Which State Officer or Employee Has Contact in His/Her Official Capacity

The Commission has addressed the issue of employment with a firm with which a State officer or employee or special State officer or employee has contact in his/her official capacity on numerous occasions. Listed below are some examples.

In 1979, the State employee, a Highway Supervisor, Division of Design at the Department of Transportation ("DOT") requested permission to accept a position with a firm with which he came in contact in his official capacity. The Division of Design was responsible for all phases of projects involving bridges, drafted the actual contract agreement, supervised its administration, and acted as liaison between the consultant and the Department. The actual choice of the consulting firm was the responsibility of the Contract Selection Committee which was separate and apart from the Division of Design. The employee was not a member of the Contract Selection Committee.

The Commission determined that it would not be a conflict of interest for the employee to accept a consultant position with the firm. He was, however, permanently restricted from representing, appearing for or negotiating on behalf of the firm on any matter in which he had been substantially and directly involved during his State employment. The Commission requested that as a member of the consulting firm, he refrain from working on any bridge projects that were before the DOT while he was a State employee. There were no restrictions on his participation on behalf of the consulting firm on new matters. *In the Matter of Gary Case*, Commission Case No. 763-79.

In 1980, a Department of Energy employee received an offer of employment from a subcontractor with whom she had interaction in her official capacity. The interaction included

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accompanying the subcontractor on "walk throughs" of institutions applying for grants from the Department and auditing and monitoring the status of grant applications.

The Commission reviewed the matter under the section 17 post-employment restriction and also considered whether the employee had exercised an unwarranted privilege prohibited by section 23(e)(3) of the statute. The Commission determined that although the employee had some involvement and contact with the subcontractor in her official capacity, there did not appear to have been any substantial and direct involvement in a specific matter by the employee during the course of her employment. As to the unwarranted privilege provision, the Commission determined that since the employee did not solicit the position with the subcontractor but rather was approached by the subcontractor and immediately contacted her supervisor regarding the offer of employment, no unwarranted privilege existed. *In the Matter of Frances Kelly*, Commission Case No. 875-80.

In 1990, the Commission considered a situation in which the State employee was offered a position as vice-president of Facilities Maintenance for a construction management and development company. As a State employee, the individual had been an engineer in the Bureau of Lease Construction, Department of the Treasury, and had been involved in monitoring construction at 2 of the 14 properties owned by the company and leased to the State.

The Commission discussed whether there was an improper "revolving door" appearance to the employee being offered the position. Upon learning that the development company had solicited the employee for the vice-president position and that the employee had not sought the position, the Commission considered the appearance issue to be resolved. The Commission then determined that section 17 did not bar the employment with the development company but that the employee could not represent the company with respect to the two properties with which he had involvement as a State employee. *In the Matter of Lewis Ischinger*, Commission Case No. 5-90.

Matters Pending Before Former Employee's Former Agency

Former State officers and employees or special State officers or employees are not prohibited from working on matters that originated in their former agencies subsequent to their leaving State service so long as they had no substantial and direct involvement in those matters.

In 1974, the former Acting Director of the Division of Water Resources in the Department of Environmental Protection ("DEP") requested an opinion from the Commission as to whether he could accept employment with a consulting firm that had several matters before the Division. These matters included a stream encroachment permit, two water pollution control permits, a loan offer and grant offer.

The Commission determined that since the Acting Director's signature appeared as approving the two water pollution control permits, the loan offer and the grant offer, he was precluded from becoming involved in those matters during his employment with the firm. Because he was not involved with the stream encroachment permit, the Commission found that it did not fall with the section 17 prohibition. *Advisory Opinion No. 23*.

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In 2001, the Commission considered whether the former Administrator, Office of Finance and Management, Division of Solid Waste, DEP, was permitted to represent ABC in connection with efforts to obtain a solid waste facility permit to operate a transfer station.

In 1994, XYZ had filed an application with the Division for a solid waste facility permit to expand its then operating transfer station and materials recovery facility. Staff who reported to the former Administrator reviewed the application and prepared a draft permit. A public hearing on the draft permit was held in July; the former Administrator acted as the hearing examiner. In August, the final permit was issued under the former Administrator's signature, with an expiration date of August 2000. In 1995, the permit was further modified to include a recycling operation. The modification was issued under the former Administrator's signature; his employment with the Division and with the State terminated in March 1997.

XYZ filed a permit renewal application in the spring of 2000 and that application was pending with the Division at the time of the Commission's review. ABC was in the process of purchasing the assets of XYZ and wished to become the owner/operator of the transfer station. The former Administrator, or the firm with which he was currently associated, wanted to represent ABC in its efforts to obtain a solid waste facility permit to operate the transfer station.

The Commission determined that the ABC permit application was a new matter for the purposes of section 17. The XYZ permit was not transferable. When the sale of XYZ's assets to ABC took place, the existing permit would be revoked and ABC would then be required to comply with DEP regulations applicable to new permits. *In the Matter of Robert C. Ciolek*, Case No. 39-01.

Employment by Entities Contracting With Former Agency

In 1972, the former Chief of the Bureau of Financial Aid at the Department of Community Affairs ("DCA") requested permission to accept employment with the City of Orange, whose program he was responsible for coordinating during his tenure at the DCA. The employee made the contract arrangements with the city for funding from DCA; however, he did not sign off on the pending contracts.

The Commission determined that the former employee made the contract arrangement for funding by the DCA and that such activity on the part of the employee constituted direct involvement within the meaning of section 17. All monies for administering the municipality's program came from the DCA. *Advisory Opinion No. 2*.

Subsequent to the rendering of *Advisory Opinion No. 2*, the contract in which the former Bureau Chief was originally involved expired. A new contract between Orange and the DCA was ready for execution. Orange wished to engage the former Bureau Chief under this new contract. The Commission sought advice from the Attorney General's Office. In Attorney General Opinion M72-0414, it was determined that the employment of the former Bureau Chief by Orange under a newly executed contract would not violate section 17. The Opinion noted that when the new contract is signed, the direct connection between the funded program and the former employee is

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severed. The Opinion further stated that “termination of the contract in which the former employee was directly involved appears to be the reasonable point at which the restriction upon the former employee’s post-employment activities should also be terminated.”

In subsequent cases, the Commission has affirmed its position that a new contract is a new matter for the purposes of the post-employment restriction. (*In the Matter of Rose Zeltzer*, Case No. 3-95, *In the Matter of Michael Rowe*, Case No. 2-96, *In the Matter of Patricia A. Stolpe*, Case No. 35-03).

In 1980, the Commission issued two advisory opinions dealing with employment by entities receiving funding from a former agency and distinguished the cases based on the "substantial and direct" involvement criteria articulated in the statute.

In the first instance, the Commission addressed a situation that involved an individual who worked for the State Law Enforcement Planning Agency ("SLEPA") as a Senior Planner. During the course of his employment, he had official associations with a County Director of a Planning Board who was anxious to participate in a SLEPA Planning Program. The Senior Planner advised the Director to send a letter to SLEPA stating the county's interest in the program, which the Director did. Several months subsequent to receiving information from SLEPA, the Director submitted an application seeking SLEPA funding for his County Planning Program. The Senior Planner then assisted the Director in completing the application by providing data relative to the program and, in particular, to the county's personnel and financial needs. The Senior Planner then became interested in the position that was funded by the SLEPA grant.

The Commission determined that since the individual was substantially and directly involved in the awarding of the SLEPA grant, he was precluded from such employment due to the post-employment restriction. *Advisory Opinion No. 37*.

The Commission considered two related requests for advice involving former SLEPA employees who had accepted or desired to accept positions of employment with county agencies receiving SLEPA grants. The individuals, in their capacities as State employees, had no involvement in processing or otherwise acting upon the grant applications of the county agencies that later became their employers.

The Commission determined that the employment was not proscribed as the former State employees were not substantially and directly involved in these matters during the course of their State employment. The Commission determined that, in and of itself, a grantor-grantee relationship between an individual's former State agency and his subsequent non-State employer normally does not give rise to a prohibited post-employment situation within the framework of section 17. The Commission noted that, of course, the applicability of the post-employment restriction of the Conflicts Law to any given sets of facts and circumstances ultimately can be determined only by direct inquiry to the Commission. *Advisory Opinion No. 39*.

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Multi-faceted Projects

The Commission has considered a number of cases involving multi-faceted projects that are of long duration or sequential in development and has declined to segment the projects for the purposes of the post-employment restriction.

In 1998, the Commission was asked whether modifications to an RFP constituted a new matter for the purposes of the post-employment restriction. The former employees acknowledged that they were substantially and directly involved with the original RFP during their State employment. However, they advanced the position that the modified RFP was a new matter because the earlier RFP intended that the work be accomplished through the mandatory use of a particular system. The use of that system was not mandatory in the later RFP on which they bid. The Commission found that the utilization of alternate methodologies to accomplish project goals does not constitute a new matter for the purposes of the post-employment restriction. *In the Matter of Linda Anselmini and Lora Levosky*, Commission Case No. 22-98.

In 1999, the Commission considered whether the former State employee's post-employment activities in connection with the closure of several contaminated sites were violative of section 17. The Commission determined that the former employee was substantially and directly involved in the closure while he was a DEP employee based on a sizable record indicating his participation in meetings and correspondence dealing with specifics of the closure. With respect to the matter, the Commission had to determine whether the matter involved the entire closure process or whether the closure process should be segmented based on changes in regulations and modifications in the technologies applied to the site. After an extensive review, the Commission determined that the closure process should not be segmented for the purposes of the post-employment restriction and, thus, determined that section 17 precluded the former employee's involvement in the closure on behalf of his employer. *In the Matter of Kenneth Siet*, Commission Case No. 6-99,

In 2004, a former State employee requested that the Commission consider whether his previous involvement in a 1996 Landfill Closure/Post Closure Plan ("1996 Plan") during his tenure with the DEP precluded him, or the law firm with which he was now associated, from representing a party other than the State in litigation stemming from the closure.

The employee's position was that the 1996 Plan had been superseded by a 2002 Plan, with which he had had no involvement, and, thus, the post-employment prohibition did not apply. The Commission viewed the 2002 Plan as a revision to the 1996 Plan, not as a new matter. Because the former employee was substantially and directly involved in the 1996 Plan, the Commission determined that he was precluded from having any involvement in the landfill closure. The former employee had no ownership or shareholder interest in the law firm, and the firm was not organized as a professional service corporation; therefore, the restriction on the former State employee did not apply to the firm. *In the Matter of Robert C. Ciolek*, Commission Case No. 13-04.

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One-Year Ban – Certain State Officials

In accordance with the recommendation of the Special Counsel for Ethics Review and Compliance, the Uniform Ethics Code specifies that for one year after the termination of the State office or employment of any of the individuals noted below, he/she shall not represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of any person or party other than the State with or before any officer or employee of the State agency in which he/she served. The provisions of this subsection shall not apply to any partnership, firm or corporation in which he/she has an interest or is employed, or to any partner, officer, director or employee of such partnership, firm or corporation. Nothing contained in this section prohibits a State agency from contracting with a former State officer or employee to act on behalf of the State.

The one-year ban applies to any head, deputy head or assistant head of any principal department, board, commission or authority, the Superintendent of State Police, the Governor's Chief of Staff, Chief of Management and Operations, Chief of Policy and Communications, Chief Counsel, Director of Communications, Policy Counselor, and any deputy or principal administrative assistant to any of the aforementioned members of the staff of the Office of the Governor.

In addition to the prohibition dealing with one's former agency, the governor and each head of a principal department in the Executive branch are prohibited, for one year after the termination of office or employment, from registering as a "governmental affairs agent," as that term is defined in *N.J.S.A. 52:13C-20*. *N.J.S.A. 52:13C-21.4*. This provision is not enforced by the State Ethics Commission.

Summary

In summary, the general post-employment restrictions do not prohibit a former State officer or employee or special State officer or employee or any firm in which he/she has an interest from representing a party other than the State concerning:

- Determinations of general applicability.
- Preparation or review of legislation that is no longer pending before the Legislature or the Governor.
- Regulations no longer pending before an agency since these are not specific causes and are analogous to legislation.
- Any matter pending before any State agency, including the individual's former agency, if the former officer or employee or special State officer or employee was not "substantially and directly" involved in the matter while employed by the State.

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- Accepting employment with entities that contract with the individual's former agency or any other State agency if the State officer or employee or special State officer or employee was not "substantially and directly" involved in the matter in question.
- Providing information generally available to the public.
- Accepting employment with a firm with which the State officer or employee or special State officer or employee had contact in his/her official capacity.

However, certain State officials are subject to additional one-year bans on their post-employment activities.

Seeking Future Employment

In the past, the Commission has determined that employees who have direct and substantial contact with any interested parties must refrain from circulating resumes or in any manner initiating employment discussions with those individuals or entities while still in State service. If an employee is solicited for potential employment by an interested party, that solicitation must be disclosed immediately to the employee's management and to the departmental ethics liaison officer to avoid a situation where an employee may appear to be using his/her official position to gain an unwarranted advantage. Employees who do not have direct and substantial contact with interested parties may circulate resumes and enter into discussions regarding potential employment with those firms as long as they avoid a situation that may give rise to an unwarranted advantage. All employees are cautioned that discussions, interviews, and negotiations should not take place on State time. *In the Matter of Theodore Fischer*, Commission Case No. 83-88.

SECTION 17.2(c) and (d) – CASINO, MEDICAL CANNABIS, AND PERSONAL USE CANNABIS POST-EMPLOYMENT RESTRICTIONS

N.J.S.A. 52:13D-17.2 (c) and (d) provide:

c. (1) No person or any member of his immediate family, nor any partnership, firm, or corporation with which such person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure, or any other matter whatsoever related to casino activity,

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except as provided in section 3 of P.L.2009, c. 26 (C.52:13D-17.3), and except that:

(a) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

(b) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time prior to the end of the two-year period, accept employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee.

Nothing herein contained shall alter or amend the post-employment restrictions applicable to members and employees of the Casino Control Commission and employees and agents of the Division of Gaming Enforcement pursuant to paragraph (2) of subsection e. of section 59 and to section 60 of P.L.1977, c. 110 (C.5:12-59 and C.5:12-60); and (c) any partnership, firm, or corporation engaged in the practice of law or in providing any other professional services with which any person included in subparagraphs (a) and (b) of paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director, or employee thereof, other than that person, or immediate family member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, and that person or immediate family member shall not be barred from association with such partnership, firm or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (i) is screened from personal participation in any such representation, appearance or

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negotiation; and (ii) is associated with the partnership, firm or corporation in a position which does not entail any equity interest in the partnership, firm or corporation. The exception provided in this paragraph subparagraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, member of the Legislature, person included in subparagraph (a) of paragraph (2) of subsection a. of this section, or to the members of their immediate families.

(c) any partnership, firm, or corporation engaged in the practice of Law or in providing any other professional services with which any person included in subparagraphs (a) and (b) of paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director, or employee thereof, other than that person, or immediate family member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, and that person or immediate family member shall not be barred from association with such partnership, firm or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (i) is screened from personal participation in any such representation, appearance or negotiation; and (ii) is associated with the partnership, firm or corporation in a position which does not entail any equity interest in the partnership, firm or corporation. The exception provided in this subparagraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, member of the Legislature, person included in subparagraph (a) of paragraph (2) of subsection a. of this section, or to the members of their immediate families.

(2) No person or any member of the person's immediate family, nor any partnership, firm, or corporation with which such person is associated or in which the person has an interest, nor any partner, officer, director, or employee while the person is associated with such partnership, firm, or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c. 307 (C.24:6I-1 et al.) or in any entity that employs any certified medical

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cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c. 16 (C.24:6I–31 et al.) or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any cause, application, or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any phase of development, permitting, licensure, or any other matter whatsoever related to medical cannabis activity or personal use cannabis activity, except as provided in section 3 of P.L.2009, c. 26 (C.52:13D–17.3), and except that:

(a) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c. 307 (C.24:6I–1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c. 16 (C.24:6I–31 et al.) or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

(b) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time

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prior to the end of the two-year period, accept employment with the holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee. Nothing herein contained shall alter or amend the post-service or post-employment restrictions applicable to members and employees of the Cannabis Regulatory Commission pursuant to paragraph (2) of subsection c. of section 34 and section 35 of P.L.2019, c. 153 (C.24:6I-27 and C.24:6I-28); and

(c) any partnership, firm, or corporation engaged in the practice of law or in providing any other professional services with which any person included in subparagraphs (a) and (c) of paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director, or employee thereof, other than that person, or immediate family member, may represent, appear for, or negotiate on behalf of any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any cause, application, or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use

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cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any phase of development, permitting, licensing, or any other matter whatsoever related to medical cannabis activity or personal use cannabis activity, and that person or immediate family member shall not be barred from association with such partnership, firm, or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (i) is screened from personal participation in any such representation, appearance or negotiation; and (ii) is associated with the partnership, firm, or corporation in a position which does not entail any equity interest in the partnership, firm, or corporation. The exception provided in this subparagraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, the President of the Senate, the Speaker of the General Assembly, to a person included in subparagraph (b) of paragraph (2) of subsection a. of this section, or to the members of their immediate families.

d. This section shall not apply to the spouse of a State officer or employee, which State officer or employee is without responsibility for matters affecting casino, medical cannabis, or personal use cannabis activity, who becomes the spouse subsequent to the State officer's or employee's appointment or employment as a State officer or employee and who is not individually or directly employed by a holder of, or applicant for, a casino license or , medical cannabis permit, personal use cannabis license, or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, or any holding or intermediary company thereof.

Section 17.2(c) prohibits a "person" from holding, directly or indirectly, an interest in, or holding employment with, or representing, appearing for, or negotiating on behalf of, any holder of, or applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, application for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity. A "person" is also prohibited from holding, directly or indirectly, an interest in, or holding employment with, or representing, appearing for, or negotiating on behalf of, any medical cannabis permit holder, applicant, or entity, or personal use cannabis license holder, applicant, or entity, in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, application for, a medical cannabis permit or personal use cannabis license in connection with any phase of development, permitting, licensure or any other matter whatsoever related to medical or personal use cannabis activity. This prohibition extends for a period of two years.

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Section 17.2(c) was amended on December 20, 1993 to provide an exception for members of a "person's" immediate family. Under the amendment, a family member is permitted to hold employment with the holder of, or applicant for, a casino license, if the Commission determines that such employment will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest. An amendment effective January 25, 1995 provides that a non-policy-making employee terminated as a result of a reduction in force may, prior to the end of the two-year period, accept employment with a casino license holder or applicant if the Commission determines that there is no actual conflict of interest or the public perception of a conflict. An amendment dated January 12, 2010 provides an exception to the two year ban if the "person" or a member of the "person's" immediate family is employed by a partnership, firm or corporation providing professional services to a casino licensee or applicant or holding or intermediary company of the licensee or applicant. Under the exception, the entity may engage in casino-related matters but the "person" or member of the "person's" immediate family must be screened from these matters for a period of two years following the termination of the person's State employment. An amendment effective July 2, 2019 made these provisions applicable to medical use cannabis permits. An amendment effective February 22, 2021 extended these provisions to include personal use cannabis licenses. This exception is not applicable if the "person" holds an equity interest in such entity, or is the former Governor, Lieutenant Governor, or Attorney General or a member of the immediate family of one of these individuals.

Section 17.2(a) defines "person" as:

(1) (a) with respect to casino activity, activity related to medical cannabis authorized pursuant to P.L.2009, c. 307 (C.24:6I-1 et al.), and activity related to personal use cannabis authorized pursuant to P.L.2021, c. 16 (C.24:6I-31 et al.): the Governor; the President of the Senate; the Speaker of the General Assembly; any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department;

(b) with respect to casino activity: any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; any member of the Legislature; any full-time professional employee of the Legislature; members of the Casino Reinvestment Development Authority; or

(c) with respect to activity related to medical cannabis authorized pursuant to P.L.2009, c. 307 (C.24:6I-1 et al.), and activity related to personal use cannabis authorized pursuant to P.L.2021, c. 16 (C.24:6I-31 et al.): any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters

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affecting medical cannabis activity or personal use cannabis activity; any special State officer or employee with responsibility for matters affecting medical cannabis activity or personal use cannabis activity; members of the Cannabis Regulatory Commission; or

(2)(a) any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located, or any professional planner, or consultant regularly employed or retained by such planning board or zoning board of adjustment; or

(b) any member of the governing body or the municipal judge of a municipality, any member of the planning board or zoning board of adjustment, or any professional planner, or consultant regularly employed or retained by such planning board or zoning board of adjustment, of a municipality wherein a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant issued a permit pursuant to P.L.2009, c. 307 (C.24:6I-1 et al.), or wherein a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service issued a license pursuant to P.L.2021, c. 16 (C.24:6I-31 et al.), is located.

Section 13(i) defines "member of the immediate family" as:

the person's spouse, domestic partner, civil union partner, child, parent, or sibling residing in the same household.

Application of Restriction to Partnership, Firm or Corporation

The restrictions contained in section 17.2(c) apply to "persons" and immediate family members not granted a waiver and to any partnership, firm or corporation with which such "person" is associated or in which he/she has an interest. The Conflicts Law defines "interest" as the ownership or control of more than 10% of the stock of a corporation or more than 10% of the profits or assets of a firm. The restrictions in 17.2(c) do not extend to a partnership, firm or corporation that is providing professional services if the "person" is not an equity partner.

Effect of Restriction on Employment by Casino Association

In Advisory Opinion No. 41, the Commission determined that, under the application of section 17.2(c), a "person" may not become employed by the Casino Association of New Jersey ("Casino Association") immediately upon leaving State service.

The Casino Association is a non-profit corporation and holder of a non-gaming casino service industry license that operates as a trade association representing the collective interests of

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Atlantic City casino licensees. Among other things, the Association works to promote the common good of the industry and its members and to provide liaison between the industry and other parties, be they governmental, business, labor, social or civic.

In Advisory Opinion No. 41, the Commission noted that section 17.2 is a part of the Conflicts Law which has as its paramount objective to "ensure propriety and preserve public confidence." *N.J.S.A.* 52:13D-12(b). Section 17.2 supplements both the Casino Control Act and the Conflicts Law in fostering and maintaining this objective. It represents an additional step "to sanitize casino gambling and its potentially corrupting effect upon government." See *Knight v. Margate*, 88 *N.J.* 374, 392 (1981). It is the Commission's view that a technical interpretation of section 17.2(c) that would allow "persons" leaving State service to be employed by the Casino Association would be inconsistent with the overall objectives and purposes of the statute even though the Casino Association is not a casino license holder. Its membership is exclusively casino license holders and it acts to further the aggregate interests of those casino license holders in a number of areas, including interaction with State government. This is exactly the kind of relationship between State "persons" and the casinos that is intended to be regulated by the section 17.2(c) post-employment ban. *Advisory Opinion No. 41*.

Members of the Bar

Former State officers and employees who are also members of the bar must also adhere to the ethical standards adopted by the New Jersey Supreme Court:

Except as law may otherwise expressly permit, and subject to RPC 1.9, a lawyer who formerly has served as a government lawyer or public officer or employee of the government shall not represent a private client in connection with a matter: (1) in which the lawyer participated personally and substantially as a public officer or employee, or (2) for which the lawyer had substantial responsibility as a public officer or employee; or (3) when the interests of the private party are materially adverse to the appropriate government agency, provided, however, that the application of this provision shall be limited to a period of six months immediately following the termination of the attorney's service as a government lawyer or public officer. (RPC 1.11 (a)).

The scope of New Jersey's Conflicts of Interest Law is at least as broad as the rules covering attorney ethics. Requests for advice on the application of the Rules of Professional Conduct should be directed to the Supreme Court Advisory Committee on Professional Ethics.

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APPENDIX I

SUBCHAPTER 7. RECUSAL PROCESS

19:61-7.1 Purpose

The purpose of this subchapter is to provide State officials with guidance regarding the circumstances under which a State official must recuse himself or herself and procedures as to properly effectuating a recusal.

19:61-7.2 Scope

The rules in this subchapter apply to all State officers and employees and to all special State officers and employees as defined in the Conflicts of Interest Law, N.J.S.A. 52:13D-13(b) and (e), which definitions are incorporated in N.J.A.C. 19:61-1.10.

19:61-7.3 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Recusal” means the process by which a person is disqualified, or disqualifies himself or herself, from a matter because of a conflict of interest.

“Relative” means a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, nephew, niece, father-in-law, mother-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, or first cousin, whether in whole or half blood, by marriage, adoption or natural relationship, and the spouse of any such person.

19:61-7.4 Situations where recusal is required

(a) A State official is required to recuse himself or herself from an official matter that involves any private sector individual, association, corporation or other entity that employed or did business with the State official during the one year prior to the official's commencement of State service. This recusal shall remain in effect for one year after the commencement of the official's State service.

(b) A State official is required to recuse himself or herself on an official matter if he or she had any involvement in that matter, other than on behalf of the State, prior to commencement of his or her State service. The recusal shall remain in effect until the agency no longer has any interest in the matter.

(c) A State official is required to recuse himself or herself from an official matter that involves any individual, association, corporation or other entity from which the State official received a campaign contribution, individually or in the aggregate, in an amount required to be reported by

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N.J.A.C. 19:25-10. Recusal is required regardless of whether the State official is elected to the office or position associated with the campaign contribution. The recusal shall remain in effect until the expiration of the term of office which the State official was seeking when the contribution was made.

(d) A State official must recuse himself or herself from a matter if he or she has:

1. Any financial interest, direct or indirect, that is incompatible with the discharge of the State official's public duties; or
2. Any personal interest, direct or indirect, that is incompatible with the discharge of the State official's public duties.

(e) For purposes of (d) above, an incompatible financial or personal interest includes, but is not limited to, outside employment; a debtor/creditor relationship; a fiduciary relationship; a source of income; any matter pertaining to or involving a relative or cohabitant; a relationship with a person providing funds, goods or services without compensation; any matter pertaining to or involving a business associate or business investment; and a leadership role in a professional or trade organization, which interest might reasonably be expected to impair a State official's objectivity and independence of judgment in the exercise of his or her official duties or might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he or she may be engaged in conduct violative of his or her trust as a State official.

(f) An incompatible financial or personal interest may exist in other situations which are not clearly within the provisions of (d) and (e) above, depending on the totality of the circumstances. A State official should contact his or her agency ethics liaison officer or the Commission for guidance in such cases.

(g) A State official must seek the advice of the State agency's counsel, agency ethics liaison officer or the Commission as to the propriety of participation in a matter if any person requests that a State official recuse himself or herself from that matter. Oral advice, followed up by a writing, may be provided by the agency's counsel, the agency ethics liaison officer or the Commission to avoid delay. Oral advice should subsequently be memorialized by a writing or by inclusion in public minutes.

Examples:

1. The spouse of the Director of the Division of Solid and Hazardous Waste (Division), Department of Environmental Protection, recently became a partner in ABC, an environmental consulting firm that represents clients before the Division. The Director must recuse himself from any involvement with ABC matters that come before the Division. The recusal must be memorialized in writing and conform to the standards of N.J.A.C. 19:61-7.5(b).

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2. The Director of a program that regulates health insurance carriers has been approached about possible employment by a regulated entity. The entity does not currently have any specific cause, proceeding, application or other matter pending. The solicitation must immediately be disclosed to the Director's supervisor and the Department Ethics Liaison Officer to avoid a situation where the State official may appear to be using his or her official position to gain an unwarranted advantage. The circumstances surrounding the solicitation and the State official's official interactions with the entity must be reviewed before the official proceeds with any job-seeking activities. If it is determined that the State official may respond to the solicitation, he must recuse himself from any involvement with the entity in his official capacity. Such recusal must conform to the standards of N.J.A.C. 19:61-7.5(b).

3. Pursuant to N.J.A.C. 19:61-3.1(e), if a member of the Commission holds office or employment in the same Department which employs a State official named in an allegation, he or she must disqualify himself or herself from participation in any decisional process relating to that particular case. One of the Commission meeting agenda items is an allegation that a Department of Personnel employee has violated the Conflicts of Interest Law. Because the Commission Chairwoman is the Commissioner of the Department of Personnel, materials associated with this matter would not be forwarded to her. In addition, the Chairwoman would place her recusal and the reason for such recusal on the record at the meeting and leave the room during non-public deliberations.

4. A member of the Real Estate Commission (REC) is a Director and past President of the New Jersey Association of Realtors (NJAR). The NJAR currently opposes a regulation proposed by the REC, has submitted a letter outlining its position, and plans to attend the REC meeting to express its opposition to the regulation. Because the REC member is an officer of the NJAR, he must recuse himself from discussions and voting on the regulation in question.

5. The Governor signed an Environmental Act that requires the establishment of a nine member Oversight Council, four of whom must be county and municipal officials from the region. One of the municipal officials appointed to the Council was recently elected and one of the county officials appointed to the Council recently lost his bid for State Senate. A local engineering firm made a substantial campaign contribution to the successful campaign of the municipal official, and another large donation to the county official's unsuccessful campaign for the State Senate.

Pursuant to N.J.A.C. 19:61-7.4(c), the recently elected municipal official would have to recuse on those matters involving the engineering firm until his current term of office expires. If he sought re-election and received no contribution from the same engineering firm, the recusal rule would no longer be applicable once the new term commences.

Similarly, the county official who unsuccessfully sought a State Senate seat would also have to recuse from matters involving the engineering firm for the duration of the term of that Senate seat because the engineering firm's donation to his campaign could create the impression of conduct violative of his trust as a State official in his current position. If this county official subsequently runs for the State Senate seat again and he accepted another contribution from this

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engineering firm, he would also have to recuse for the next term of office for the State Senate seat.

19:61-7.5 Procedure for recusal

(a) If a State official finds, or is advised by agency counsel or the agency ethics liaison officer, that an incompatible financial or personal interest exists on a matter, the State official must recuse himself or herself from that matter or seek advice from the Commission. The recusal must be absolute, that is, the State official must have no involvement with the matter from which he or she has recused himself or herself.

(b) All recusals, other than those provided for in (c) below, must be memorialized in writing. See the subchapter Appendix for samples. The writing must:

1. Specify the reason for and the date of the recusal;
2. Specify the duration of the recusal (which may be expressed in terms related to the pendency of the matter in the State agency);
3. Specify the effect of the recusal on the State official and his or her State agency (for example, that the State official is not to be contacted or involved or participate in any manner concerning the matter from which he or she has been recused);
4. Name the person who is to assume responsibility and authority for the matter from which the State official has been recused (if applicable); and
5. Be disseminated to all persons who might be affected by the State official's recusal and to the agency ethics liaison officer, who shall maintain the writing for as long as the State official serves in his or her position.

(c) In the case of a State agency that maintains a public record of a proceeding, that is, a Board or Commission meeting, formal written recusal is not required; however, the following procedures must be followed:

1. To the extent feasible, meeting materials involving a matter from which the State official must recuse himself or herself should not be distributed to the State official;
2. At the subject meeting, the State official must place his or her recusal and the reason for such recusal on the record prior to any discussion of the matter; and
3. The State official must leave the room at a non-public portion of the meeting while the matter in question is under discussion.

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APPENDIX
Sample Recusal Statements
Sample Recusal Statement: Seeking Employment

DATE: _____
TO: Agency Ethics Liaison Officer
State Ethics Commission
FROM: Name of Employee
SUBJECT: Recusal – Seeking Employment with (Name of Outside Organization)

This is to notify you that I am (seriously considering employment with, discussing employment with, or seeking employment with) (Name of Outside Organization).

My seeking employment may present an actual or appearance of a conflict of interest; therefore, I must disqualify/recuse myself from any official duties that involve the above organization. I understand that I may not participate in any way as a State official in any matters regarding the above organization. Furthermore, I understand that it would be appropriate for any matters specifically involving the above-named organization to be referred to my supervisor (or subordinate, if no other option) without consulting me or informing me that such matters are pending. This action is taken with the concurrence of my supervisor (or subordinate), as indicated below.

I understand that this recusal will remain in effect until I inform you in writing that all employment seeking activity has terminated and I receive written permission from the agency ethics liaison officer to resume interactions with the outside organization.

Employee's Name

Recommend: _____
(Name of Employee's Director/Supervisor) Date

Approve: _____
Ethics Liaison Officer Date

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Sample Recusal Statement: Conflicts

DATE: _____

TO: Designee(s)

FROM: Name of Employee

SUBJECT: Recusal

Because I may be seen to have a conflict of interest in matters affecting (name of entity or individual) relating to (family relationship, former affiliation with firm, etc.), I am delegating all responsibility and authority for handling any such matters to you. Please ensure that I am screened from any information or communications on any such matters.

By copy of this memorandum, I am instructing (appropriate contacts in office) to ensure that I do not receive any communications on any matters affecting (name of entity or individual). This recusal will remain in effect until (state duration of recusal).

c: subordinates responsible for screening communications
Ethics Liaison Officer
State Ethics Commission

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APPENDIX J

State Ethics Commission Position on Privatization Issues

At its December 7, 1994 meeting, the State Ethics Commission considered whether State employees could, under the application of section 19 of the Conflicts Law, participate in an open competitive bid process for the privatization of services currently being provided by their agency and, if successful, could operate the service under the application of section 17.

Application of Section 19: Section 19 prohibits a State officer or employee from entering into a contract, valued at \$25 or more, with any State agency. This prohibition also extends to partners or any corporation which the State officer or employee controls or in which he owns or controls more than 1% of the stock. Section 19(b) exempts only three categories of contracts from this general prohibition:

1. Contracts made after public notice and competitive bidding;
2. Contracts that may be awarded without public advertising and competitive bidding pursuant to *N.J.S.A. 52:34-10* or similar applicable provisions; and
3. Any contract of insurance entered into by the Director of the Division of Purchase and Property, Department of the Treasury, pursuant to *N.J.S.A. 52:27B-62*.

Each of these exceptions requires prior approval of the Commission.

Because the contract for the privatization of the program at issue will be made after public notice and competitive bidding, the Commission approved the employees' participation in the bid process. To deal with concerns expressed in past Commission cases regarding whether State employees could bid on contracts to be awarded by their own agencies, the Commission outlined several safeguards. These safeguards are intended to prevent perceptions of State employees gaining unwarranted advantages or using insider information.

In order to approve an employee's participation in an open competitive bid process for services being privatized by his/her agency, the Commission requires an affidavit to the Commission from the agency management specifying that the employee is not or has not been involved in the privatization decision and will have no involvement in the privatization process, e.g., development of the RFP and winding down of the State-provided service. The affidavit must also specify that the employee will have no involvement in the evaluation of bids. The Commission also requires that the agency maintain records identifying all individuals involved in the privatization process. This requirement will facilitate investigation of any future complaints charging an employee with the use of insider information.

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The Commission recommends that the RFP contain a notice to all bidders that agency employees or former employees may be submitting proposals. The Commission also recommends the "blind" review of the proposals to the maximum extent feasible. This would involve identifying bidders only by numbers or letters and not by personal or corporate identity.

Application of Section 17: The post-employment restriction of the Conflicts Law prohibits a former State employee from representing, appearing for, negotiating on behalf of or providing information or services not generally available to the public to any person or party other than the State in connection with any specific cause, proceeding, application or matter in which he/she had substantial and direct involvement during his/her State employment.

The Commission has taken the position that privatized services that are no longer pending, active or on-going in the State agency that formerly provided the services are not "matters" within the scope of section 17.

The Commission is concerned that individuals who expect to have involvement in the privatized services not participate, while State employees, in the privatization decision and process because of the Conflicts Law provisions that prohibit employees from using their official positions to gain an unwarranted advantage (section 23(e)(3)), acting in their official capacities in matters where they have an interest that may impair their objectivity (section 23(e)(4)), acting in a way that might create the impression of a violation of the public trust (section 23(e)(7)) and using or disclosing information not generally available to the public (section 25). Thus, procedurally, the Commission requires that an employee express his/her intention to be involved in any private sector efforts in connection with the privatization to the agency's management and the Commission as soon as it is feasible so that appropriate steps can be taken to screen the employee from the agency's privatization activities.

The Commission will require notice that the employee was not involved in the privatization decision or in the privatization process, e.g., preparation of the RFP, review of bids, evaluation of potential providers. The agency will be required to maintain records identifying all employees involved in the privatization process.

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APPENDIX K

GUIDELINES REGARDING RETIREMENT GIFTS

These guidelines address the circumstances under which appropriate recognition can be given to retirees from State service without exceeding the bounds of propriety or giving rise to an impression of violation of the public trust.

Typically, retirement functions comprise a get-together, with or without a meal, and the presentation of a gift or monetary token to the retiree, to his or her spouse, and/or to his or her dependent(s). In planning such events, the responsible group or individual must choose between two approved alternatives with regard to funding and the value of any and all gifts to be presented.

1. Gifts may be funded by a maximum contribution of \$5 per person, collected from invitees to the retirement function. If this method of funding is used, no maximum value is set for the cost of the gifts, but contributions of more than \$5 per invitee are not permitted.
or

2. The maximum value of retirement gifts cannot exceed \$1,000. If this method is used, there is no maximum set on individual contributions, but the total value of retirement gifts and/or monetary tokens to the retiree, spouse, and dependent(s) cannot exceed \$1,000.

If, instead of presenting gifts and/or monetary tokens to the retiree, spouse, and dependent(s), a decision is made to make monetary contribution to a qualified organization (under I.R.S. Code 501(c)(3)), no limit is placed on the maximum value of the contribution.

Retirement gifts from parties with whom the employee has had involvement in his/her official capacity are permissible provided the gift is not excessive or inappropriate for the purpose for which it is given.

Any questions about these guidelines or their implementation should be addressed to:

State Ethics Commission
225 East State Street
5th Floor – P.O. Box 082
Trenton, New Jersey 08625
(609) 292-1892

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APPENDIX L

PUBLISHED WORKS

The State Ethics Commission staff frequently receives inquiries regarding State employees' activities in connection with authoring and publishing research papers, articles and books. The Commission has addressed these situations over the years, primarily under the application of sections 23(e)(1), direct or indirect financial or other interest; 23(e)(5), impairment of objectivity and independence of judgment; 23(e)(7), the appearance of impropriety; 24, receipt of compensation for a matter related to official duties; and 25, disclosure or use for personal gain of information not available to the public. Subsequent to March 1997, the Commission has also considered such inquiries under *N.J.A.C.* 19:61-6.7(b), compensation for published works.

Section 23(e)(1) of the Conflicts Law provides:

No State officer or employee or special 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.

Section 23(e)(5) of the Conflicts Law provides:

No State officer or employee or special 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.

Section 23(e)(7) of the Conflicts Law provides:

No State officer or employee or special 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 or special State officer or employee.

Section 24 of the Conflicts Law provides:

a. No State officer or employee, special State officer or employee, or member of the Legislature shall solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift, honorarium, out-of-State travel or subsistence

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expense or other thing of value from any source other than the State of New Jersey, for any service, advice, assistance, appearance, speech or other matter related to the officer, employee, or member's official duties, except as authorized in this section.

b. A State officer or employee, special State officer or employee, or member of the Legislature may, in connection with any service, advice, assistance, appearance, speech or other matter related to the officer, employee, or member's official duties, solicit, receive or agree to receive, whether directly or indirectly, from sources other than the State, the following:

(1) reasonable fees for published books on matters within the officer, employee, or member's official duties...

Section 25 of the Conflicts Law provides:

No State officer or employee, special State officer or employee, or member of the Legislature shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public which he receives or acquires in the course of and by reason of his official duties. No State officer or employee, special State officer or employee, or member of the Legislature shall use for the purpose of pecuniary gain, whether directly or indirectly, any information not generally available to members of the public which he receives or acquires in the course of and by reason of his official duties.

N.J.A.C. 19:61-6.7, Compensation for Published Works, provides:

(b) A State official shall secure the permission of the department head to accept compensation for published work(s) not created as part of his or her official duties. In determining whether such approval can be granted, the Department head shall consider the provisions of the Conflicts of Interest Law, the uniform ethics code, the agency code of ethics, any applicable Executive Orders, the Commission's Guidelines Governing Outside Activities, any other applicable guidelines or rules of the Commission, any applicable administrative policies of the agency, and the following conditions.

1. Whether compensation is being paid by an interested party;
2. Whether the published work(s) uses or discloses information not generally available to the public;

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- (c) The State official shall prepare the published work(s) on his or her own time, without using the services of other State officials or resources owned by the State.
- (d) Except as provided in (e) below, the State official shall not use his or her official title in any way in soliciting compensation.
- (e) A State official acting in a scholarly capacity may accept compensation for published works created as part of his or her official duties on State time utilizing State resources.

Summarized below are Commission cases dealing with published works.

In Case No. 255-75, the Commission considered whether employees of the Public Broadcasting Authority (“PBA”) could receive a compensation fee for journalistic work used on a commercial station. Various journalists employed full-time by the PBA were approached for the use of news items that they wrote during the hours that they were employed by the State. These scripts, films or tapes were being used on commercial TV channels. The commercial stations wished to compensate the journalists for the use of their work.

The Commission determined that it would be a violation of section 24 of the Conflicts Law for State employees to receive compensation from any source other than the State for news items created as part of their official duties.

In Case No. 402-76, the Commission considered whether a professor at a State college was permitted, under the Conflicts Law, to receive payment of royalties for a book he published prior to his State employment and for an instructional manual to be used in conjunction with the book. The instructional manual was authored by him during his State employment.

Prior to his State position, while employed at a New York university, the professor devised a method to teach philosophy to elementary school children and authored a book on the topic. Two years after the professor joined the State college, the Board of Trustees formed the Institute for the Advancement of Philosophy for Children (“IAPC”) as a means of further research and curriculum development for the purpose of training elementary school teachers to teach philosophical thinking to children. The professor was appointed Director of the IAPC.

The Commission determined that it would not be a violation of the Conflicts Law for the professor to receive royalties from the original book, written materials related to the original book or future materials authored on the subject of the development of philosophy in the elementary grades. This decision was based on the fact that the State college did not have a specific policy governing receipt of royalties for published works written by faculty members during their employment with the college. The agreement between the professor and the State college to act as Director of the IAPC did not provide that he author any publications in connection with this topic. The Commission thus determined that writing the instructional

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manual and any future curriculum materials related to this issue could not be said to be related to his official duties. The professor was advised that, in his official capacity, he could not encourage the purchase of any materials that he authored.

In Case No. 427-76, the Commission considered whether the Deputy Director, Division of Field Services, Department of Education, could collect royalties from a book which he co-authored, with his wife, on the subject of communicating with hearing impaired and autistic individuals. Prior to his employment with the State, the Deputy Director had been associated with a school for the deaf in another state.

The Commission determined that the State employee was permitted to collect royalties from the sale of the book because the subject matter was unrelated to his official duties and he had no authority or control over the education of hearing impaired or autistic children. The State employee was advised that he could not promote the sale of the book to entities in New Jersey.

In Case No. 601-77, the Commission determined that it would not be a conflict of interest for the Chief Engineer, Operations and Local Aid, DOT, in his private capacity, to write an article on transportation systems to be contained in a book entitled "Focus on New Jersey: Problems and Prospects," to be published by a private publisher. In his official capacity, the employee functioned as a traffic engineer designing roads for counties and municipalities. The employee was well known in his field and as a result had given lectures in approximately 50 universities throughout the country on the topics of highway safety and highway traffic.

In Case No. 1028-82, the Department of Education requested that the Commission review the outside activities of three Department employees. The three employees were approached by an entity that received funding from the Department to assist in the production of a multi-cultural handbook to be used in teacher training. The Department was responsible for appointing the Board of Directors of the outside entity and provided funding for administrative purposes. The State employees' Division used the facilities of the private entity for training workshops. The project in question was being funded by a federal grant. All three employees' official responsibilities included the development of instructional programs for students not proficient in English.

The Commission found that a potential for an appearance of a conflict existed because the State employees dealt with the private entity in their official capacity and were involved with essentially the same subject matter in both positions. The Commission also advised the Department that the private entity should have solicited assistance from the Department rather than directly approaching the State employees.

In Case No. 1160-83, the Commission considered whether a Teacher, Adult Basic Education Program, New Lisbon State School, Department of Human Services, was permitted to publish a cookbook written on her own time. In her official capacity, the State employee was responsible for teaching home economics and nutrition programs to the adult developmentally disabled population at New Lisbon State School. The cookbook was a pictorial cookbook/teachers guide for non-readers and the handicapped. The development of the

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cookbook was not part of the employee's official duties and responsibilities. She was advised not to make use of the cookbook in her classes after it appeared in published form.

In Case No. 1186-83, the Commission considered whether Coordinator III, Office of Equal Educational Opportunity, Department of Education, was permitted to publish a book entitled "Analogies and Black History," developed and financed by him for the purpose of assisting minority students in taking college entrance exams. The publication was not developed as part of his official duties, although part of his official function was to conduct black history in-service courses. At the meeting where this matter was considered, the Commission's Counsel at the time indicated that State employees may receive reasonable compensation for published works so long as they are not directly compensated by the State for those same works. Counsel explained that State employees would not be permitted to receive compensation if they were designated to prepare a book for the State as part of their official duties.

The Commission permitted the publication but placed the following restrictions on the employee. He could not conduct any field testing of his material within the area of his geographic assignment; he could not directly promote, advertise or solicit sales of his book to any State employee or any person with whom he had or may have official

dealings; he could not contract to sell these materials to the State of New Jersey unless in compliance with section 19 of the Conflicts Law.

In Case No. 3-84, the Commission found that the Supervising Program Development Specialist, Bureau of Research, Division of Youth and Family Services ("DYFS"), Department of Human Services ("DHS"), could not accept a cash award from a gerontological society for a paper prepared by him as a DYFS employee.

The DHS was awarded a grant to study abuse of the elderly. Because of his experience in the field of gerontology, the State employee was assigned the task of preparing a paper on the subject as part of his official duties. The paper was prepared entirely on State time with grant monies administered by the State. The State employee then submitted the paper for consideration for an annual research award and was the recipient of that award. The Departmental Ethics Review Board concluded that the acceptance of the cash award was violative of the Department's Code of Ethics. The Commission noted that the employee had solicited the award and affirmed the DHS' determination. The State employee appealed the Commission's decision to the Superior Court, Appellate Division, which upheld the Commission's determination.

In 1997, the Department of Law and Public Safety requested an opinion as to whether a Division of Law Deputy Attorney General ("DAG") was permitted to co-author a book about psychics and the paranormal, Case No. 3-97. The DAG wanted to write the book in her private capacity and use her married name (she is known by her maiden name in her employment with the Department). The Commission determined that the DAG was permitted to co-author the book under the following conditions: that she not refer to her status as a DAG or member of the Department; that she not permit the use of her title or employment in connection with publication

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or promotion of the book; that she not write about an active case or use information not generally available to the public; that she avoid any legal analysis that could be interpreted as Division of Law work product; that she not use State time or resources in connection with her outside activity.

In Case No. 34-96, Assistant Director, Division of Administrative Rules ("DAR"), Office of Administrative Law ("OAL"), and Case No. 35-96, Assistant Director, Judicial Standards and Procedures ("JSP"), OAL, the employees requested an opinion regarding outside employment. They were co-authors of an annual update of the Administrative Law Volume of the New Jersey Practice Series published by West Publishing Company ("West"). The matter at issue was the pocket part which updates the main text. West paid royalties to the employees.

West was an "interested party" under the Commission's rules. West did business with the OAL in two ways: it was the sole supplier of law library materials and also had the exclusive license to publish the New Jersey Register and the New Jersey Administrative Code. The OAL formerly produced these materials. West had a 7-year contract with three 1-year extensions which could be exercised at the State's option. The JSP Assistant Director had no involvement with West in any of its OAL dealings. The DAR Assistant Director had official contact with West regarding the license agreement.

As to the JSP employee, the Commission determined that she was permitted to engage in the outside employment. Under the Commission's rules governing compensation for published works in effect at the time, State employees were flatly prohibited from accepting compensation from an interested party. West was an interested party, but after reviewing all of the facts and circumstances, the Commission determined that her arrangement with West did not do violence to the intent of the rule. The Commission noted that the intent of the interested party provision was to prevent any influence by a discretionary vendor. This did not appear to be the situation in her case.

West was a sole-source provider, and she would not be able to influence any decision regarding West. The royalties were not subject to negotiation; there was a formula based on the sale of the books.

As to the DAR employee, the Commission determined that his co-authorship did not constitute a conflict with his official duties and permitted the outside employment, subject to the condition that he recuse himself from any actions in connection with contract renewals or re-bidding at the conclusion of the current 7-year contract.

The Commission determined that the interested party prohibition was overly broad. Subsequent to the two decisions, in March 1997, the Commission proposed and adopted the current provision regarding compensation for published works. Under the amended rule, *N.J.A.C. 19:61-6.7*, the fact that compensation is from an interested party does not automatically preclude acceptance of compensation, but is only one of a number of factors to be considered.

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In Case No. 17-98, a Principal Environmental Specialist, Department of Transportation, requested an opinion from the Commission as to whether he was permitted to author a book on New Jersey archeological sites to be published by Rutgers University Press ("RUP"). Rutgers University is a State agency for the purposes of the Conflicts Law, and RUP is fully integrated into the University. The employee's proposed outside activity raised a number of issues: the use of DOT archeological reports prepared by the employee or consultants supervised by him, the receipt of compensation for published works based on these reports, and contracting with Rutgers, a State agency.

The Commission determined that the use of DOT archeological reports in connection with the proposed published work appeared to be approvable under *N.J.A.C.* 19:61-6.7 and section 25 of the Conflicts Law. While there was no precedent directly on point, the Commission noted that State employees have been permitted to accept compensation for published works on subject matters related to their official duties. While the employee's activity was approvable under the rules governing published works and under section 25 of the Conflicts Law, the Commission determined that he was prohibited under section 19 of the Conflicts Law from undertaking or executing a contract or agreement for \$25 or more with RUP.

In Case No. 34-98, the Commission determined that the Managing Actuary, Division of Life and Health, Department of Banking and Insurance ("DOBI"), was permitted to co-author and market a study guide utilized by students preparing to take the Society of Actuaries ("SOA") professional examination under the Commission's rules, precedent, the Conflicts of Interest Law and the DOBI Code of Ethics.

The employee co-authored the study guide in 1995 while on the faculty of Temple University. The examination contains ten segments; the study guide deals with only one particular segment of the exam. The book previously identified the employee as a faculty member at Temple, but new copies identify him only by name and give no indication of his current employment with the DOBI. The authors distribute approximately one third of the books themselves through direct mail; they purchased an advertisement which is distributed with materials sent by the SOA to all exam registrants. The remaining two thirds of the book are sold through several mail order books stores that specialize in actuarial books. The study guide is used by student actuaries; the majority of them are employees of insurance companies or actuarial consulting firms. Some students are employed by insurance companies and are reimbursed by their employers when they purchase books; insurance companies also purchase the study guide directly.

In approving the activity, the Commission took into account the following factors: the study guide is sold nationally and not just to New Jersey exam registrants, the employee co-authored the book while at Temple, uses only his name and not his official title in connection with the study guide and does not directly solicit regulated entities.

Summary. Under the rule addressing compensation for published works, *N.J.A.C.* 19:61-6.7, and under Commission precedent, a State employee not acting in a scholarly capacity may accept compensation for published works under the following conditions.

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- There is no prohibition governing such activity in the Department's enabling legislation or Code of Ethics.
- The State employee must obtain prior approval from his/her Department head.
- The published work must not use or disclose information not generally available to the public.
- The State employee must not use State time or resources in connection with the published work.
- The State employee must not use his/her official title in connection with publication or promotion of the published work.
- The State employee cannot promote, advertise or solicit sales of the published work to co-workers or individuals with whom he/she has official dealings.
- The State employee may not contract to sell the published work to the State except in compliance with section 19 of the Conflicts Law.
- The published work must not have been prepared as part of the State employee's official duties.

pubworks.doc
August 1999
June 2006
August 2006

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APPENDIX M

**OFFICIAL INTERACTIONS WITH FAMILY MEMBERS/COHABITANTS
AND DATING RELATIONSHIPS**

The State Ethics Commission staff frequently receives inquiries regarding the propriety of State officials interacting in the course of their duties with family members. The majority of the inquiries concern relatives employed by the same State agency or interactions with family members employed in the private sector. Prior to 2006, the New Jersey Conflicts of Interest Law, *N.J.S.A. 52:13D-12 et seq.*, did not contain an anti-nepotism provision. However, the statute was amended, effective March 15 2006, to prohibit certain relatives of certain State officials from holding particular governmental positions and also to prohibit State officials from supervising, or exercising authority with regard to personnel actions over, a relative of the State official.

N.J.S.A. 52:13D-21.2 provides:

- a. (1) A relative of the Governor shall not be employed in an office or position in the unclassified service of the civil service of the State in the Executive Branch of State Government.

- (2) A relative of the commissioner or head of a principal department in the Executive Branch of State Government shall not be employed in an office or position in the unclassified service of the civil service of the State in the principal department over which the commissioner or head of the principal department exercises authority, supervision, or control.

- (3) A relative of an assistant or deputy commissioner or head of a principal department in the Executive Branch of State Government who is employed in an office or position in the unclassified service of the civil service of the State may be employed in the principal department in which the assistant or deputy commissioner or head serves, but shall not be assigned to a position over which the assistant or deputy commissioner or head exercises authority, supervision, or control.

- (4) A relative of a head or assistant head of a division of a principal department in the Executive Branch of State government who is employed in an office or position in the unclassified service of the civil service of the State may be employed in the principal department in which the head or assistant head of a division serves, but shall not be assigned to a position over which the head or assistant head exercises authority, supervision, or control.

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b. (1) A relative of an appointed member of a governing or advisory body of an independent authority, board, commission, agency or instrumentality of the State shall not be employed in an office or position in that independent authority, board, commission, agency or instrumentality.

(2) A relative of an appointed New Jersey member of a governing body of a bi-state or multi-state agency shall not be employed in an office or position in that bi-state or multi-state agency, to the extent permitted by law.

c. A State officer or employee or a special State officer or employee of a State agency in the Executive Branch shall not supervise, or exercise authority with regard to personnel actions over, a relative of the officer or employee.

d. As used in this section, "relative" means an individual's spouse or the individual's or spouse's parent, child, brother, sister, aunt, uncle, niece, nephew, grandparent, grandchild, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, stepsister, half brother or half sister, whether the relative is related to the individual or the individual's spouse by blood, marriage or adoption.

Attorney General Opinion 06-0006 addresses the issue of the application of the anti-nepotism provision, *N.J.S.A. 52:13D-21.2*, to previously hired employees and advises that a State employee is not required to be terminated when a relative is subsequently appointed to a high level position within the agency. However, arrangements must be made to prohibit the relative's involvement in the exercise of authority, supervision, or control with regard to the incumbent holder of the affected State office or position.

The provisions of the Conflicts Law related to casino activity, medical cannabis activity, and personal use cannabis activity also contain prohibitions that apply to a State official's immediate family members, defined in *N.J.S.A. 52:13D-13(i)* as the person's spouse, domestic partner, civil union partner, child, parent, or sibling residing in the same household. *N.J.S.A. 52:13D-17.2(b)* deals with the concurrent employment of immediate family members with casino licensees or applicants, medical cannabis permit holders, applicants, or entities, and personal use cannabis license holders, applicants, or entities, while *N.J.S.A. 52:13D-17.2(c)* deals with post-employment situations of immediate family members. These two provisions are discussed above in Appendix H.

The Commission has addressed various family member issues over the years, primarily under the application of sections 23(e)(3), unwarranted privilege, 23(e)(4), direct or indirect personal financial interest that might reasonably be expected to impair objectivity and independence of judgment, and 23(e)(7), the appearance of impropriety. Summarized below are

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sample Commission cases that address a number of common family member scenarios. It should be noted that these cases were decided prior to the March 2006 Nepotism amendment.

STATE EMPLOYMENT

Family Members Employed by the Same Agency. In Case No. 27-91, the Commission considered whether the spousal relationship of the Chief of the Department of Labor Appeal Tribunal and her husband, a member of the Department of Labor Board of Review ("Board"), gave rise to a conflict of interest or appearance of a violation of the public trust. The Appeal Tribunal reviews determinations of the Division of Employment Security that are appealed by an aggrieved or dissatisfied claimant. The three-member Board of Review decides appeals of decisions issued by the Appeal Tribunal. The Chief did not decide cases; her job duties consisted of devising strategy and creating administrative policies for the Appeal Tribunal.

The Board adopted a policy precluding the Member from reviewing or having any connection with decisions issued by the Chief on those rare occasions when it was necessary for the Chief to conduct a hearing and function as an Appeals Examiner. The Commission concurred with the Deputy Attorney General who represented the Board that the recusal policy in place at the Board was a sufficient mechanism to avoid a conflict situation.

In Case No. 19-98, the Commission issued a complaint charging the Chairman of the Ocean County Soil Conservation District, Department of Agriculture, with violating sections 23(e)(4) and (7) of the Conflicts Law when he participated in a controversial matter pending before the District Board in which his brother, an employee of the District, had substantial involvement and for voting on matters that involved personnel and salary issues affecting his brother.

Supervisor/Subordinate Relationships. In Case No. 1161-83, the Commission considered whether a situation where spouses worked for the same agency and had a supervisor-subordinate relationship constituted a conflict of interest. This situation was reviewed under the application of section 23(e)(4) of the Conflicts Law which prohibits State employees from acting in their official capacity in a matter wherein they have a direct or indirect personal financial interest that might reasonably be expected to impair their objectivity or independence of judgment.

The Commission determined that one spouse has a direct personal financial interest in the salary and continued employment of the other spouse and thus should not be in a position to provide direct supervision or to take personnel actions such as performance evaluations and salary increases. The Commission advised the agency to take administrative action to resolve the conflict situation, and the agency transferred one of the spouses out of the work unit.

In Case No. 182-93, the Department of Community Affairs requested an opinion as to whether Commission precedent prohibiting family members from having supervisor/subordinate relationships should also apply to non-related individuals who share the same household with the same financial interdependence that the Commission viewed as creating a conflict in spousal situations. The Commission determined that where non-related supervisor/subordinate employees

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share the same household under circumstances where there is financial interdependence, there must be an intermediate supervisory level between the two and the higher placed employee should have no supervisory or signing authority regarding personnel matters affecting the subordinate employee.

In Case No. 9-94, the Commission determined that the Conflicts Law was not violated by virtue of the fact that a Manager, Division of Motor Vehicles, Department of Law and Public Safety, worked in the same facility as his two cousins. Because the cousins were not members of the Manager's immediate family, as defined in section 13(i) of the Conflicts Law, the Commission determined that a supervisor/subordinate relationship was not per se prohibited under Commission precedent. The Commission reviewed the specifics of this particular situation and noted that the Manager did not directly supervise his cousins, complete their PARS or sign their time sheets. Thus, it was unlikely there could be an appearance of impropriety by virtue of his cousins working in the same facility.

Hiring of Family Members. In Case No. 23-88, the Commission was asked to approve the Department's removal of an employee from his position due to a number of violations of the Department's Code of Ethics. Among the violations was one that the employee secured employment for his daughter with a private organization that received funding from the Department. The employee directly monitored the organization's performance under the contract. After the employee's supervisor learned of his daughter's employment, the employee was relieved of all monitoring responsibilities. After reviewing the various violations, the Commission concurred with the Department's findings and approved the proposed sanction.

In Case No. 32-90, the Commission reviewed an allegation that the Warren County Conservation District ("District") had contracted with the District Manager's wife for financial and bookkeeping services without public announcement or advertisement of the availability of the contractual position. The Commission determined that the circumstances surrounding the contract were violative of section 23(e)(3), the unwarranted privilege section of the statute. The contract between the District and the District Manager's wife was terminated.

In Case No. 34-92, the Commission found indications of violations of sections 23(e)(3), unwarranted privilege, and 23(e)(7), appearance of impropriety, in connection with the Sussex County District ("District") Manager's hiring and supervising of her son. The manager and her son resided in the same household. The Commission ordered that her son's employment with the District be terminated and that a complaint against the District Manager be prepared. The Commission later approved a consent order in this matter.

In Case No. 2-93, the Commission found indications of violations of section 23(e)(3), unwarranted privilege, and 23(e)(7), appearance of impropriety, in connection with the Director of the Library of the Blind and Handicapped's hiring and supervision of her daughter for summer employment. The position was never advertised to the job-seeking public and the Director did not use any of the State contractors who normally performed the services in question. The Commission approved a consent order with the Director.

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In Case No. 23-96, the Commission issued a complaint alleging that a Deputy Superintendent of Elections violated the Conflicts Law when, among other activities, she hired and supervised six family members. The Deputy Superintendent entered into a consent order with the Commission.

In Case No. 9-98(B), the Commission reviewed an allegation concerning the hiring of the son of the Director of Human Resources, Department of Corrections (“DOC”), for a position within the DOC. The Director had asked the Chief of the Bureau of Parole if he would be interested in hiring his son while a DOC employee was out on sick leave. The Bureau Chief then forwarded a personnel action request to the DOC Office of Human Resources seeking a freeze exemption to appoint a new employee. The form was signed by the Director. Other individuals were on the certified list who ranked higher than the Director’s son and were not advised of the interim position. The Commission determined that there were indications that the State employee violated sections 23(e)(3) and (7) of the Conflicts Law. The Director entered into a consent order with the Commission.

STATE PROGRAMS

In Case No. 30-04, the Commission reviewed an allegation that an Assistant Commissioner, Department of Personnel (“DOP”), used her official position to attempt to place her nephew in the Pilot Program of a course developed by the DOP’s Human Resource Development Institute (“HRDI”) to prepare individuals to take the Law Enforcement Examination. The Assistant Commissioner’s responsibilities included oversight of the HRDI.

The Commission determined that there were indications that the Assistant Commissioner violated sections 23(e)(3) and (7) of the Conflicts Law and authorized the drafting of a complaint. The Assistant Commissioner entered into a consent order with the Commission and agreed to a civil penalty of \$750.

PRIVATE SECTOR SITUATIONS

In *Advisory Opinion No. 33*, issued September 17, 1975, the Commission determined that a Member of a County Board of Taxation must disqualify himself from hearing tax appeals when the assessor of the responding city is his second cousin or is more closely related to the Board Member. Because Members of the County Boards of Taxation act in a quasi-judicial capacity, the Commission was guided by cases interpreting the Canons of Judicial Ethics as applied to family member situations. It was noted that the need for unquestionable integrity, objectivity and impartiality is just as great for quasi-judicial personnel as for judges.

In Case No. 344-76, the Commission considered whether the Chief Engineer, Cable Television Section, Department of Public Utilities, was permitted to become involved in a challenge to the award of a franchise by the cable television company of which his son was President. If a company is denied a franchise in a municipality in favor of another company, it is the duty of the Chief Engineer to pass upon the engineering qualifications of the successful applicant. The Commission determined that it would be an appearance of a conflict if the

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engineer were to become involved in any way in the challenge of the subject franchise or any future action with respect to the company that employed his son.

In Case No. 651-78, a Member of the New Jersey State Council on the Arts, Department of State, requested advice from the Commission regarding actions affecting a grant recipient. The Member's husband was president of an advertising agency which performed public relations work for the grant recipient. The Member asked if it was necessary for the advertising agency that employed her husband to resign from the account. The Commission determined that it did not have the authority to require the private public relations firm to relinquish the account and recommended that the Member refrain from participation in discussion and voting on any matters pertaining to the grant recipient.

In Case No. 35-79, the Division of Youth and Family Services ("DYFS"), Department of Human Services, requested an opinion from the Commission as to whether there was a violation of the Conflicts Law for a DYFS employee to serve as Administrator of Management Operations while his brother was employed as a salesman for a company that sold equipment to DYFS. The Commission determined that to avoid any potential conflict or appearance of a conflict, the Administrator should in no way be involved in contracts negotiated or executed by DYFS or DHS with the company that employed his brother. Further, in his State capacity, the Administrator should not solicit any State business for nor refer any State business to his brother's employer. Also, neither his brother nor any representatives of the company should call on the Administrator and the Administrator should have no involvement with matters pertaining to the company.

In Case No. 941-80, the Commission determined that it would not violate the Conflicts Law for the Director, Division of Hazard Management ("DHM"), Department of Environmental Protection, to review and approve contracts with an environmental company which was a subsidiary of the company that employed the Director's father-in-law. The parent organization had more than 30 subsidiary companies segmented into 9 control groups. The control group with which the Director's father-in-law was affiliated had no direct relationship with the environmental company that contracted with DHM. The Commission determined that the nexus was too remote to suggest that the Director was acting in his official capacity in a matter wherein he had a direct or indirect personal financial interest that might reasonably be expected to impair his objectivity or independence of judgment.

In Case No. 1176-83, the Commission determined that no conflict would result from the award of the Lottery Commission's advertising contract to the firm that employed the wife of the Deputy Chief of Staff, Office of the Governor, or by her assignment to perform work under that contract. The Commission noted the absence of any indication that the Deputy's spouse's position was offered to her for the purpose or with the intent of influencing him nor was there any evidence that the Deputy had used his position to obtain employment for his spouse with the bidder or to secure her assignment under the proposed contract. There was also no indication of any interest held by the Deputy in the bidder that would bar the contract under section 19, the contracting section of the statute.

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As for the appearance of impropriety, the Commission noted that the Deputy's spouse had obtained employment with the bidder prior to their marriage and long before his appointment as Deputy and that the lack of involvement by him in bidding process matters involving the Lottery Commission, on the part of the Governor's Office, would substantially ameliorate any appearance problems. The Commission based its advice on the assumption that he would have no duties concerning this contract or the Lottery Commission in general, such as appointment of members, which might raise impairment of objectivity issues due to his personal financial interest in his spouse's employment. The Commission also cautioned the Deputy that willful disclosure or use of information not generally available to the public received or acquired in the course of or by reason of official duties is prohibited.

In Case No. 25-84, the Commission considered whether it was a conflict of interest for the Ombudsman, Department of Corrections, to handle inmate complaints concerning Corrections Officers represented by the union of which her husband was State President. The Ombudsman was generally responsible for receiving, investigating and making recommendations concerning complaints received from persons incarcerated or on parole. The Commission determined that the Ombudsman and the Department should be advised that it is not consistent with the Conflicts Law for her to have involvement as Ombudsman in handling complaints concerning Correction Officers represented by the Union while her husband served as President. The advice was based on considerations of indirect interest, impairment of objectivity and appearance of impropriety.

In Case No. 14-85, the Commission approved the Department of Education's handling of a matter wherein the Program Manager, Gifted Education Contracts, Division of General Academic Education, recommended that her husband be employed as a consultant to the Division. The employee also recommended her husband as a consultant to a school district which received funding from the Department for a project related to the education of gifted students. The Department determined that the manager's recommendation of her husband as a Division consultant was violative of the Conflicts Law. She was also advised that she should not implicitly or explicitly make recommendations to local districts as to consultants or programs for gifted and talented education with which she has a direct or indirect relationship.

In Case No. 17-85, the Commission determined that the Medical Director, Division of Disability Determinations ("DDD"), did not use her official position to advance her husband's private medical practice. As a private practitioner in the field of internal medicine, her husband worked in conjunction with the DDD as a Consultative Examining Physician ("CEP"). The Commission based its determination on the fact that while the Medical Director's responsibilities placed her in direct contact with CEPs, she recused herself from all involvement regarding her husband and/or his specialty of internal medicine. The Medical Director had no direct control over the scheduling of examinations between DDD clients and CEPs. In addition, while it was the Director's responsibility to review a physician's qualifications prior to acceptance as a CEP, her husband became a CEP four years before she became Medical Director.

In Case No. 25-85, the Commission determined that the Chief, Bureau of Construction Code Enforcement ("BCCE"), Department of Community Affairs, violated the Conflicts Law by

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soliciting and receiving, on behalf of his daughter, a scholarship award from an organization whose members were regulated by the BCCE. The Chief's daughter received the award for academic year 1983. In 1984, she applied personally for the scholarship. The organization's Board of Directors questioned the propriety of awarding the scholarship to the daughter of the Chief of the BCCE and advised the Chief that the award would not be granted until the conflicts issue was resolved. The Commission determined that the Conflicts Law was violated and ordered the Chief to reimburse the organization for the amount of scholarship monies awarded to his daughter.

In Case No. 9-86, the Commission considered a request for advice as to whether a nominee to the Racing Commission was in a conflict situation due to his son's business relationship, as an insurance broker, for an organization regulated by the Racing Commission. The Racing Commission does not regulate the selection of insurance brokers but does require that a surety bond be submitted by the track owner's insurance broker. The nominee's son provided this bond to the Racing Commission. The Commission determined that there was no conflict of interest per se; however, the nominee was cautioned to abstain from discussions and voting on any insurance matters that came before the Racing Commission.

In Case No. 27-89, the Commission considered whether a Casino Control Commission Member was required to recuse herself on matters where one of the parties was represented by a law firm for whom her father worked as an accountant. The Commissioner had been associated with the same law firm that employed her father prior to entering State service. The Commissioner had recused herself on eight previous occasions. The Commission determined that the Commissioner should continue to recuse herself from all matters related to the law firm in order to support her ability to render independent decisions and to be so perceived.

In Case No. 42-90, the Chairman of the Casino Control Commission ("CCC") requested an opinion as to whether he was required, under the operation of the Casino Control Act, the CCC Code of Ethics or the Conflicts of Interest Law, to recuse himself from matters involving his brother-in-law, a credit executive with a casino hotel, and/or his brother-in-law's employer. The Commission determined that the Chairman should recuse himself from participation in any matter involving his brother-in-law or the credit department of the casino hotel by which he was employed and advised him that his intention, in any matters involving his brother-in-law's employer, to advise the interested parties on the record of his relationship and to provide the opportunity for any interested party to seek his recusal was an adequate measure to protect the public interest.

In Case No. 245-93, the Commission reviewed an allegation that the Administrator, Office of Set-Aside and Certification, Department of Commerce, certified a business owned by his son for eligibility to participate in a program administered by his office. The Commission determined that the employee violated section 23(e)(3), the unwarranted privilege provision, section 23(e)(4), the prohibition against acting in one's official capacity if one has a direct or indirect personal financial interest in a matter, and section 23(e)(7), the appearance provision, in regard to certifying a business owned by his son. The Administrator should have delegated another employee in the office to handle his son's application.

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In Case No. 1202-93, the Commission reviewed an allegation that the Director, Division of Administration, Department of Education, used his position to influence the award of grants and contracts to a school district employing his son. The Commission noted that most of the State funding to local school districts was awarded based on a statutorily mandated formula. Discretionary grants decisions are made by Program Division Heads with the Commissioner. The Division of Administration monitors and verifies the fiscal and statutory accuracy of grants and contracts after award decisions are made. The Commission voted to dismiss the complaint; however, the Director was advised to abstain from involvement in any matter which directly impacted his son's employment.

In Case No. 23-97, the Chief Planner, Hackensack Meadowlands Development Commission ("HMDC"), requested an opinion regarding her involvement on projects that directly or indirectly involve her husband's new employer. Her husband's employer was the environmental and engineering consultant on a project for which the Planner had been coordinator for ten years. Her husband had no involvement with the project. The Commission determined that the Planner could have no official involvement with projects that directly or indirectly involved her husband's employer regardless of whether her husband actually worked on the project.

In Case No. 23-98, the Senior Staff Engineer, HMDC, requested an opinion regarding her involvement on projects that directly or indirectly involve her husband. Her husband operated a consulting company and had been retained as a subcontractor to conduct an alternative site analysis required the Army Corp. of Engineers. The State employee had been asked to assist in the review of the hydrology and hydraulics for the project in question. Her involvement would include the writing of a scope of work document to hire a consultant to review the hydraulics and hydrology prepared by the consultant and to act as a liaison. The Commission noted that even though the two tasks, the State employee's involvement with the hydraulics and hydrology segment of the project and her husband's involvement in the alternate site analysis, are unrelated, due to the high profile nature of the project and the controversy surrounding it, it was conceivable that the participation of family members on the project could become an issue. The Commission determined that, because the HMDC could easily assign another engineer to perform the hydraulics and hydrology review, there appeared to be no reason, under these facts, to grant an exception to the existing HMDC policy, affirmed by the Commission in *Case No. 23-97*.

In Case No. 17-01, the Acting Chief Engineer, HMDC, requested that the Commission review its decision in Case No. 23-98 because her husband had not been involved with the project in question since July 1999. The Commission advised the Acting Chief Engineer that because her husband was no longer employed by the subcontractor and was not involved in the project, she was not precluded from having official involvement in the project.

In Case No. 14-01, the Acting Chief Engineer, HMDC, requested an opinion regarding her involvement in a project that was being performed by a firm that recently hired her brother-in-law. The Commission determined that the Acting Chief Engineer should recuse herself from

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any involvement in matters involving the firm as long as her brother-in-law was employed by the firm.

Dating Relationships. In Case No. 16-99, the Ombudsman for the Institutionalized Elderly, Division of Senior Affairs, Department of Health and Senior Services, developed a dating relationship with a vendor to the Division. The vendor initially contracted with another State agency and later contracted with the State employee's division to develop a software program. The development and implementation of the software program was a multi-phase project. During the period of the project, the Ombudsman began a social and personal relationship with the vendor and worked on and signed licensing and maintenance agreements on behalf of the Division with the vendor. Shortly thereafter, the Ombudsman sought additional funding for the vendor to supply additional services.

The Commission determined that there were indications that the Ombudsman violated sections 23(e)(3), (4) and (7) of the Conflicts Law. The Commission determined that under the applicable sections of the statute and the Commission's precedent, the State employee should have recused herself from any official involvement with the vendor after her social and personal relationship began. The Commission entered into a consent order with the employee.

In Case No. 43-98, the Commission determined that the Assistant Executive Director of New Jersey Transit ("NJT") used his official position to secure an unwarranted advantage for his fiancé, an Account Executive at an insurance company. The insurance company was invited to provide additional insurance to NJT employees. NJT sent out letters to employees on NJT stationery, produced posters, and made insurance company sales representatives available on NJT premises. The Assistant Executive Director's fiancé received commissions on sales to NJT employees. The Assistant Executive Director entered into a consent order with the Commission.

Agency Contracts. In Case No. 38-01, the Commission determined that the Director, Juvenile Sex Offender Treatment Services, Juvenile Justice Commission ("JJC"), was prohibited from acting as a co-trainer with his wife as long as he was employed in his current position at the JJC. The Director's wife began contracting with the JJC in 1997, prior to his being hired by the agency. The Director had been assisting as a co-trainer since 1997. The Director's wife was paid the same fee as all other trainers. The Director was not compensated for his participation. The Commission determined that the Director's involvement as a co-trainer raised appearance concerns because of the financial interdependence of the parties.

In Case No. 25-00, the Commission determined that the Executive Director of the Communications Institute at Rowan University violated the Conflicts Law by awarding a subcontract to a firm in which he and his adult children had a financial interest. The Director entered into a consent order with the Commission.

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CASINO AND CANNABIS-RELATED PROHIBITIONS

Please see Appendix H above for details regarding Casino and Cannabis-Related Prohibitions.

CODES OF ETHICS

Codes of Ethics specific to a particular agency may also contain provisions applicable to family members. State officers and employees should review their agency's code of ethics or consult with their agency Ethics Liaison Officer to determine whether the Code contains any provisions applicable to family members.

OTHER STATUTORY PROVISIONS

Statutory provisions and/or administrative regulations specific to a particular agency may also contain prohibitions applicable to family members. In Case No. 21-72, the Commission received a request for advice regarding whether an appointee to the Board of Trustees of the Commission for the Blind could hold that position in light of the fact that the appointee's husband was an employee of the Commission for the Blind. The Commission sought an opinion from the Attorney General's Office because the determination turned on the interpretation of *N.J.S.A. 30:40-1* which provides that at least two members of the Board of Trustees of the Commission for the Blind shall themselves be legally blind but shall not be employees or related by blood, marriage or adoption to any employee of the Commission for the Blind. The appointee in question was legally blind; however, the Attorney General's Office advised that *N.J.S.A. 30:4-1* precluded the appointee from serving in such capacity because she was married to an employee of the Commission.

State officers and employees should consult with their agency Ethics Liaison Officer to determine whether there is any statutory provision or regulation that prohibits the agency's employment of or other contractual relationship with family members. The Commission does not have jurisdiction to interpret these provisions and refers such inquiries to the Attorney General's Office.

SUMMARY

2006 Nepotism Amendment. The Conflicts Law was amended, effective March 15, 2006, to prohibit certain relatives of certain State officials from holding particular governmental positions and also to prohibit State officials from supervising, or exercising authority with regard to personnel actions over, a relative of the State official.

Commission Precedent. In the case of spouses who work for the same agency, the Commission has determined that supervisor/subordinate relationships are not permitted because one spouse has a direct financial interest in the salary and continued employment of the other spouse and thus should not directly supervise or take personnel actions in regard to the spouse. This policy is also applicable to non-related individuals who share the same household with the same financial interdependence that the Commission views as creating a conflict in spousal situations.

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In regard to other family members working for the same State agency, the cases are fact sensitive. The Commission considers such factors as whether the individuals reside in the same household; the degree of the relationship; whether there is financial interdependence; the size of the work unit in question; whether there is direct supervision; and whether one family member is responsible for taking personnel actions that affect the other family member.

With respect to the hiring of family members, the Commission looks at the totality of circumstances surrounding the hiring to determine whether any unwarranted privilege has been afforded the family member.

As to interactions with family members or their private sector employers, the Commission generally recommends recusal from matters involving the relative and/or the relative's employer in order to eliminate any appearance of impropriety.

In the case of individuals involved in a dating relationship, the Commission has found violations of the unwarranted privilege and appearance sections of the statute in situations where the State employee had official involvement in a matter affecting the individual with whom he/she had a dating relationship.

In regard to the family-member casino-related prohibitions of sections 17.2(b) and 17.2(c), waivers may be requested by contacting the State Ethics Commission. Waivers will be granted if, in the judgment of the Commission, such employment will not interfere with the responsibilities of the State officer or employee and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest.

**Union County Workforce Development Board
WIOA Title I Procurement Conflict of Interest Policy**

ATTACHMENT B

**UNION COUNTY WORKFORCE DEVELOPMENT BOARD
EVALUATOR'S CERTIFICATION**

Policy Reference: UCWDB-2025-01

I, _____ of full age, do hereby certify as follows:

1. I am employed by _____

2. In preparation to evaluate the proposals received for:

I have reviewed the conflict of interest standards in the New Jersey Local Government Ethics Law (N.J.S.A. 40A:9-22.1 et seq.) and the Union County Workforce Development Board WIOA Title I Procurement Conflict of Interest Policy (UCWDB-2025-01).

3. I have assessed my own affiliations and financial interests, and those of my immediate family, that relate to my duties as someone evaluating proposals, to ensure that no conflict of interest exists.

4. I hereby certify that I have reviewed the conflict of interest standards in the Local Government Ethics Law, as appropriate, and that I do not have a conflict of interest with respect to the evaluation of this proposal. I further certify that I am not engaged in any negotiations or arrangements for prospective employment or association with any of those submitting proposals or their parent or subsidiary organization.

5. I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

DATE: _____

SIGNATURE

PRINT NAME

**Union County Workforce Development Board
WIOA Title I Procurement Conflict of Interest Policy**

ATTACHMENT C

**UNION COUNTY WORKFORCE DEVELOPMENT BOARD
RECUSAL NOTIFICATION FORM**

Policy Reference: UCWDB-2025-01

This form is to be completed by any evaluator who has identified a conflict of interest requiring recusal from evaluating one or more proposals. Submit to the WDB Director BEFORE receiving proposal materials.

SECTION 1: EVALUATOR INFORMATION

Name: _____

Title: _____

Organization: _____

Phone: _____ Email: _____

SECTION 2: PROCUREMENT INFORMATION

Procurement Title: _____

RFP/RFQ Number (if applicable): _____

Proposal Opening Date: _____

SECTION 3: CONFLICT DISCLOSURE

Name of Proposer(s) with whom a conflict exists:

1. _____

2. _____

3. _____

Nature of Conflict (check all that apply):

- Financial interest in proposing organization (>10% ownership/control)
- Employment or compensation relationship
- Prospective employment negotiations
- Close personal relationship with proposer personnel
- Prior involvement in proposal preparation
- Receipt of gifts, favors, or other items of value within past 12 months
- Business transaction with proposer within past 12 months
- Personal bias or prejudice
- Other: _____

SECTION 4: RECUSAL TYPE REQUESTED

Union County Workforce Development Board
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- I request FULL recusal from this procurement evaluation.
- I request PARTIAL recusal (from evaluating only the proposal(s) identified above).

SECTION 5: CERTIFICATION

I certify that the information provided above is true and accurate to the best of my knowledge. I understand that this recusal is submitted to maintain the integrity of the procurement process.

Signature: _____ Date: _____

FOR OFFICIAL USE ONLY

Date Received: _____ Received By: _____

Action Taken:

- Full recusal approved
- Partial recusal approved
- Additional information requested

Substitute Evaluator Assigned (if applicable): _____

Notes: _____

Director Signature: _____ Date: _____

ATTACHMENT D

**INSTRUCTIONS FOR PARTICIPATION ON A
UNION COUNTY WORKFORCE DEVELOPMENT BOARD
RFP EVALUATION COMMITTEE**

Policy Reference: UCWDB-2025-01

The Role of the Evaluation Committee in the Procurement Process

The Evaluation Committee's role in the procurement process is to evaluate bid proposals received and to recommend a contract award. The Evaluation Committee's goal is to reach a consensus decision as to which bidder is to be recommended for contract award based upon the evaluation criteria contained in the request for proposals (RFP).

Formation and Composition of the Evaluation Committee

The Evaluation Committee is formed prior to the receipt of bid proposals. This is done to ensure that there is no perception that the Evaluation Committee was formed to favor a particular bidder. The Evaluation Committee generally includes individuals that bring together the expertise necessary to evaluate the bid proposals received.

Individuals who have a known or perceived conflict of interest with any potential bidder, or with any potential subcontractor of a potential bidder, should not serve on the Evaluation Committee. Individuals who become aware of an actual, perceived or possible conflict of interest during their service on the Committee should immediately notify the Workforce Development Board Director.

Conduct of Evaluation Committee Members during the Procurement Process

A. General Principles of Conduct:

Evaluation Committee members must adhere to the following general principles of conduct:

1. Abide by the applicable provisions of the New Jersey Uniform Code of Ethics
2. Conduct themselves in a professional manner at all times
3. Be objective, impartial, unbiased, and fair in all aspects of the evaluation process
4. Hold all Evaluation Committee proceedings, bid proposals and writing in strict confidence
5. Immediately make known to the WDB Director any real or perceived conflict of interest
6. Have no direct or indirect personal financial interest in any bidder, or proposed subcontractor thereof

B. Evaluation Committee Member Specific Responsibilities:

Being an Evaluation Committee member entails the following:

1. Requires a commitment of time and sound judgment
2. Becoming familiar with the requirements of the RFP
3. Adhering to the evaluation criteria set forth in the RFP
4. Using the standardized Proposal Evaluation Tool for scoring
5. Conducting a review of bid proposals prior to the initial Evaluation Committee meeting

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6. Participating in an initial Evaluation Committee meeting to discuss initial reactions to the bid proposals

C. Certification of Receipt of Ethics Materials:

I certify to have received a complete copy of the New Jersey Uniform Code of Ethics.

DATE: _____

SIGNATURE

PRINT NAME