

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

ETHICS STATEMENT AND POLICIES

STATEMENT OF PURPOSE

The purpose of this Statement and policy document is to fully inform the Board of Directors and Staff of the Authority as to duties and obligations under the State Code of Ethics and the internal ethics policies of CHEFA. The Statement of Shared Values and Code of Conduct that follow will be posted on the Authority's website, www.chefa.com and will be distributed electronically or in printed form to all Board Members, employees, clients, consultants, vendors, and CHEFA's independent auditors, the State of Connecticut Auditors of Public Accounts, the Office of State Ethics or any member of the public that requests it.

This Statement and the attached exhibits are designed to fully inform all CHEFA stakeholders so as to prevent any unintentional violation of the State Code of Ethics.

Intentional violations of either the State Code of Ethics or the CHEFA Code of Conduct will not be tolerated and will be reported to the Office of State Ethics and the Auditors of Public Accounts, and if these violations can be construed to be corruption, to the appropriate federal and state law enforcement agencies.

Culture of the Organization

The Senior Management of CHEFA will by their words and actions set the correct tone in the areas of ethical compliance by creating a culture at the Authority that values ethical conduct in excess of the baseline required by the State Code of Ethics.

All actions by the Board or employees of the Authority should be guided by the State Code of Ethics that is attached to these policies and procedures, as well as the following Statement of Shared Values, CHEFA Code of Conduct, and the Authority's Conflict of Interest policy.

CHEFA Statement of Shared Values

- Commitment to ethical standards, which substantially exceed Connecticut Statutes and Regulations.

- Commitment to the mission of the Connecticut Health and Educational Facilities Authority in providing access to the public markets; by the strategic investment of Authority reserves in areas not served by the public markets; and through public advocacy for all clients.
- All decisions by the Authority will be made strictly on a public purpose and a financial basis without regard to political affiliation.
- Accountability to clients, the public, bondholders, the Executive Branch of the State of Connecticut, the Connecticut General Assembly and regulators for all operations of the Authority.
- Transparency and honesty in all operations of the Authority.
- Responsible stewardship of all Authority assets.
- A commitment to excellence.
- The timely distribution of all public information and data to any policy maker or interested party.
- Maintenance of the public trust by strict adherence to the public purpose for which the Authority was created.
- Respect for the worth and dignity of all clients, Board Members and Staff.
- Immediate notification of any actual or suspected unethical conduct or fraud to the CHEFA Board of Directors and such governmental agencies or institutions that have cognizance in CHEFA's area of operations.
- No retaliation against any whistleblower who notifies the CHEFA Board of Directors or such governmental agencies or institutions that have cognizance in CHEFA's area of operations of either actual or suspected ethical misconduct, fraud or abuse.

Code of Conduct

- Personal and Professional Integrity
 - All Staff, Board Members and professionals retained by the Connecticut Health and Educational Facilities Authority commit to act with honesty, openness and integrity in the performance of their respective operating, governance and professional capacities as direct or indirect representatives of the Authority.
 - The Connecticut Health and Educational Facilities Authority will promote a working environment that highly values respect, fairness, integrity, transparency and accountability.

- No Board member or Staff member may directly own any bond issued by CHEFA.
- CHEFA Staff members, either individually or as a group, are prohibited from knowingly accepting, directly or indirectly, any gift from any organization or individual that the Staff member knows, or has reason to know, does business with or is seeking to do business with CHEFA. "Gift" means anything of value, which is directly and personally received, unless consideration of equal or greater value is given in return. "Gift" shall not include:
 - (1) A commercially reasonable loan made on terms not more favorable than loans made in the ordinary course of business;
 - (2) A gift received from (A) the Staff member's spouse, fiancé or fiancée, (B) the parent, brother or sister of such spouse or such Staff member, or (C) the child of such Staff member or the spouse of such child;
 - (3) Goods or services (A) which are provided to CHEFA (i) for use on CHEFA's property, or (ii) that support an event, and (B) which facilitate CHEFA's action or functions.
 - (4) A rebate, discount or promotional item available to the general public;
 - (5) Printed or recorded informational material germane to CHEFA action or functions;
 - (6) Food or beverage or both, costing less than fifty dollars in the aggregate per recipient in a calendar year, and consumed on an occasion or occasions at which the person paying, directly or indirectly, for the food or beverage, or his representative, is in attendance;
 - (7) Admission to a charitable or civic event, including food and beverage provided at such event, but excluding lodging or travel expenses, at which a CHEFA Staff member participates in his official capacity, provided such admission is provided by the primary sponsoring entity;
 - (8) Anything of value provided by an employer of a spouse of a CHEFA Staff member, to such Staff member or spouse, provided such benefits are customarily and ordinarily provided to others in similar circumstances;
 - (9) Training that is provided by a vendor for a product purchased by CHEFA which is offered to all customers of such vendor.

CONFLICT OF INTEREST POLICY AND OUTSIDE EMPLOYMENT POLICY

POLICY	The highest ethical standards shall be followed when acting on behalf of the Authority.
PURPOSE	To define the guidelines concerning ethical behavior while conducting business for the Authority and while engaged in employment outside of the Authority.
SCOPE	This procedure applies to all Authority employees.
POLICY AND PROCEDURES	Whenever an employee accepts outside employment, the employee must disclose the employment by notifying his or her direct manager who in turn will notify the Executive Director.

Any relationship of an employee to an outside party that appears to influence the conduct of CHEFA's business whether to a client, bondholder or vendor is strictly prohibited.

If a member of any employee's immediate family accepts employment, or has a relationship with any Authority client, outside consultant or vendor, the employee must disclose the employment and recuse themselves from action on behalf of the Authority when dealing with the client, outside consultant or vendor.

Whenever an employee wishes to undertake any commitment that may conflict or appear to conflict with his or her primary commitment to CHEFA, he or she must obtain written approval from the Executive Director.

A summary of the conditions for written approval are as follows:

- Use of the Authority's name is strictly prohibited.
- Additional activities requiring review and written approval by a supervisor include:
 - Activities requiring a written agreement (e.g., letter of understanding, contract).
 - A proposed agreement involving the use of facilities or resources belonging to or utilized by the CHEFA.
 - An outside commitment providing for intellectual or tangible property rights owned by the Authority.

- An agreement which is being considered that in any manner restricts an employee's public reporting of the existence of the agreement.
- Any written agreement, contract or letter of understanding that has a term in excess of three months.

Any dispute between an employee and the Authority that occurs as a result of this policy will be immediately referred to the Office of State Ethics for advice or consent.

This Conflict of Interest Policy does not relieve any employee of his or her obligations under the State Ethics Code.

BOARD OF DIRECTORS – ETHICS

- CHEFA, in cooperation the Office of State Ethics, will provide its Board Members with ethics training on an annual basis or more frequently if the Statutes or Regulations governing this matter are substantially revised.
- All complex ethics questions raised by Board Members will be referred to the Office of State Ethics for guidance and final decisions if required.
- The contact information for the Office of State Ethics is:

Office of State Ethics
 18-20 Trinity Street, Suite 205
 Hartford, Connecticut 06106-1660

Phone: (860) 263-2400
 Fax: (860) 263-2402
 Email: meredith.trimble@ct.gov
 Website: <http://www.ct.gov/ethics>

EMPLOYEES – ETHICS

- All new employees prior to their acceptance of employment will be provided with a copy of this Statement, the most recent State Code of Ethics for Public Officials, attached as Exhibit 1, and a copy of Governor Rell's letter attached as Exhibit 2, informing potential employees of his or her obligations as employees of a quasi-public agency. Any new employee will be required to sign the Acknowledgement Receipt, attached as Exhibit 3, indicating that he or she has received this Statement and Exhibits 1, 2 and 3.
- Employees, as part of their annual performance review, will be required to attend one ethics training session annually held in cooperation with the Office of State Ethics.

- Ethical conduct will be made a standing agenda item at all employee Staff meetings in order to facilitate questions from employees.
- All employees that voluntarily or involuntarily terminate their employment with the Authority will, as part of their exit interview, be given a copy of the sections of the Guide to the Code of Ethics that explain the restrictions on post-Authority employment. The specific sections of the Guide will be discussed with the terminating employee and the employee will be required to sign an Acknowledgement Receipt. The Manager of Administrative Services will access the Office of State Ethics website monthly for changes to ethics regulations.
- All complex ethics questions raised by employees will be referred to the Office of State Ethics for guidance and final decisions if required.
- The CHEFA Ethics Liaison Officer currently designated by the Executive Director is Paula L. Herman, General Counsel of the Authority. Her contact information is:

Phone: 860-761-8445
 FAX: 860-520-4706
 Email: pherman@chefa.com

All routine questions about the Ethics Code will be addressed to the Ethics Liaison Officer.

- The contact information for the Office of State Ethics is:

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 Website: <http://www.ct.gov.ethics>

EMPLOYEE SAFEGUARDS

- Harassment or Victimization – CHEFA recognizes that the decision to report an ethical concern can be a difficult one to make, not the least because of the fear of reprisal from those responsible for the malpractice. CHEFA will not tolerate harassment or victimization and will take action to protect those who raise a concern in good faith.
- Confidentiality – CHEFA will do its best to protect an individual's identity when he or she raises a concern and does not want his or her name to be disclosed. It must be appreciated, however, that the investigation process may reveal the source of the information and a statement by the individual may be required as part of the evidence.

- **Anonymous Allegations** – This policy encourages individuals to put their names to allegations. Concerns expressed anonymously are much less powerful, but they will be investigated in the same manner as those allegations where the individual expressing the concern identified himself or herself.
- **Untrue Allegations** – If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the originator. If, however, individuals make malicious or vexatious allegations, action may be considered against the individual making the allegation.

EMPLOYEE REPORTING

- Employees can internally report a concern of real or suspected ethical violation by:
 - Notifying his or her Manager
 - Notifying any Officer of the Authority
 - Notifying the Chair of the Audit-Finance Committee.
 - ♦ The current Chair of the Audit-Finance Committee is:
Benson R. Cohn and he may be contacted by email at: brcohn6131@att.net

In order to facilitate the anonymous internal reporting of ethics violations by CHEFA employees, a website has been created that requires a special username and password. Through this website an e-mail can be sent to one of the following individuals:

1. Chair of the Audit-Finance Committee
2. Compliance Auditor
3. Executive Director

This anonymous process can be accessed through a web browser from any location using the specified secure web address <https://www.chefa.com/whistleblower/>.

Every attempt has been made to ensure that submissions made through this interface are anonymous, without compromising the security of CHEFA IT systems. This mechanism has been developed so that no easy way exists to find out who has sent any given message. **To ensure total anonymity, use the interface from a public computer at a library or Internet café, or send from a public wifi connection available at any number of book stores and coffee shops.**

Directions: Once you have navigated to the whistleblower site, select the intended recipient, type your message, and enter the following login information at the bottom of the page before you click send.

Username: whistleblower
Password: g9doWuq7!

CHEFA ACTIONS

- Upon receipt of a report of corruption or fraud, the party that is initially notified will contact the Chair of the Audit-Finance Committee, the Board Chair, the Executive Director and the independent auditor who will commence an investigation of the matter immediately.
- Within 48 hours of the report, the Executive Director will write the complainant (if known):
 - Acknowledging the concern has been received.
 - Indicating how the Authority proposes to deal with the matter.
 - Give an estimation of the time it will take to complete the investigation and give a final response.
 - Telling him or her if any initial inquires has been made.
 - Telling him or her whether any further investigations will take place and if not, why not.

The Chair of the Audit-Finance Committee will instruct the Executive Director to notify the Office of State Ethics and/or the State Auditors of Public Accounts and the appropriate law enforcement organization if the allegation of an ethical violation could rise to the level of fraud or corruption.

EXTERNAL REPORTING OF FRAUD

- All CHEFA employees have the right to report real or suspected ethical violations directly to the State Auditors of Public Accounts under the "Whistleblower" statute.
- The following reporting procedure has been copied from <http://www.state.ct.us/apa/whistle1.htm>.
- More detailed information can be found at www.state.ct.us/apa/

WHISTLE BLOWER COMPLAINTS

- Section 4-61dd of the Connecticut General Statutes is known as the Whistle Blower Act. It authorizes the Auditors of Public Accounts to receive information concerning matters involving corruption, unethical practices, violation of State laws or regulations, mismanagement, gross waste of funds, abuse of authority or danger to the public safety occurring in any State department or agency.

- If you know of anyone in a State office or agency misusing or misappropriating public funds or property, you can file a complaint with the APA by calling (860) 240-5305 or toll free at (800) 797-1702. You can also send the information in writing to :

Auditors of Public Accounts
18 Trinity Street
Hartford, CT 06106-1628
Attention: Patricia Wilson, Administrative Auditor

- We will need to know:
 - The name and title of the person/persons you are making the complaint about.
 - The State office or agency for which he or she works.
 - The address of the person/persons you are making the complaint about (if available).
 - As much information about the alleged misuse or misappropriation as possible.
 - You should state whether you actually observed the violations and, if you did, whether you are willing to sign a sworn statement. If you did not personally observe the violations you should have the names of witnesses who did and information on how to contact them.
 - We request that you let us know your name, address and phone numbers but complaints can be made anonymously if you prefer.

All information concerning the identity of a person or a group of persons making a complaint is strictly confidential under State law and will not be released by this Office.

SANCTIONS

ETHICS VIOLATIONS

- Employees who violate the State Ethics Code will be subject to the penalties proscribed by ethics laws and subject to immediate termination.
- Employees who violate CHEFA's Code of Conduct are subject to disciplinary action including probation, reduction in compensation or termination, depending upon the severity of the offense.

ONGOING COMPLIANCE, ASSESSMENT, AND REVISION OF ETHICS POLICIES

COMPLIANCE MEASURES

POLICY/PROCEDURE MEASURED	MEASUREMENT
Culture of Organization	Annual Review of Code of Conduct, Statement of Shared Values, Conflict of Interest Policy Annual sign off by all employees
Personnel Policies	Compliance with Ethical Conduct and Anti-Fraud policy added to annual employee performance reviews Distribution of this policy and any revisions to all employees
Training	<u>Ethics</u> Board of Directors – Annual Training in cooperation with the Office of State Ethics Employees – one ethics training session annually Addition of ethics to Staff meetings as a standing agenda item