BR#06-54

Connecticut State University System

Developing a State of Minds

RESOLUTION

concerning

THE CONNECTICUT STATE UNIVERSITY SYSTEM
ETHICS STATEMENT

June 9, 2006

WHEREAS, It is important that members of the Board of Trustees of the Connecticut State University System and all Connecticut State University System employees conduct themselves with the highest degree of honor and integrity and understand that public service is a public trust, and Section 1-83 of the Connecticut General Statutes mandates the development and implementation of an Ethics Statement by each state agency, and

WHEREAS The Connecticut State University System Audit Committee Charter states that the Audit Committee shall, "Review the administration of the Board's conflict of interest policy", and

WHEREAS, Section 3 of the Bylaws of the Board of Trustees simply states in part, "Members of the Board of Trustees shall serve for the public good and not for personal interest or gain. They shall comply with the provisions of the Code of Ethics for Public Officials set forth in Sections 1-79 - 1-90 of the Connecticut General Statutes… A trustee may not directly enter into a contract for fee or be employed by the Connecticut State University System. A Trustee shall not engage in any activity that violates the intent of this section and shall avoid any appearance of impropriety", and

WHEREAS, A more detailed and specific Ethics Statement would be of assistance to Audit Committee as they discharge their responsibilities under the Committee Charter, as well as to all Connecticut State University System Trustees, as well as provide specific guidance to all employees of the Connecticut State University System in identifying and avoiding prohibited conduct, and

WHEREAS, The Connecticut State University System Ethics Statement has been reviewed and approved by the Office of State Ethics, and is intended to supplement and not supersede the Bylaws of the Board of Trustees or the Code of Ethics for Public Officials, therefore be it

RESOLVED, That the Board of Trustees for the Connecticut State University System adopt the attached Connecticut State University System Ethics Statement, and be it further

RESOLVED, That the attached Connecticut State University System Ethics Statement supercedes any previously published expository statement providing similar guidance to Connecticut State University System Trustees and employees.

A Certified True Copy:

Lawrence D. McHugh, Chairman

Connecticut State University System
Ethics Statement

PURPOSE

It is important that members of the Board of Trustees of the Connecticut State University System and all Connecticut State University System employees conduct themselves with the highest degree of honor and integrity and understand that public service is a public trust. Ethical conduct in our relationships with each other, members of the public, our students, other state agencies, and private entities is of critical importance.

This Ethics Statement has been prepared pursuant to Section 1-83 of the Connecticut General Statutes, which mandates the development and implementation of an Ethics Statement by each state agency. It applies to the members of the Board of Trustees and to all employees of the Connecticut State University System. This Statement is intended to serve as a general guide to assist you in identifying and avoiding prohibited conduct. It does not contain a complete listing of prohibited conduct nor is it intended to replace or supersede the Code of Ethics for Public Officials (set forth in Chapter 10 of the Connecticut General Statutes), other applicable sections of the Connecticut General Statutes, or the regulations of the Office of State Ethics.

It is your responsibility to become familiar with the provisions of this Statement and comply with them. It is also your responsibility to maintain high ethical standards and alert your supervisor of any suspected violation of ethical standards, whether or not specifically described in this Ethics Statement. You should be aware that violations may result in the imposition of sanctions by agencies or systems external to the Connecticut State University System. Whether this occurs or not, the System retains the right to independently review and respond administratively to violations.

DEFINITIONS

1. A "business with which you are associated" means any sole proprietorship, partnership, firm, corporation, trust or other entity through which business for profit or not-for-profit is conducted in which you or a member of your immediate family is a director, officer, owner, limited or general partner, beneficiary of a trust, or holder of stock constituting five per cent (5%) or more of the total outstanding stock of any class. Neither you nor a member of your immediate family will be deemed to be associated with a not-for-profit entity solely by virtue of the fact that you or a member of your immediate family is an unpaid director or officer of such entity. The term "officer" refers only to the president, executive or senior vice president, or treasurer of such business.

2. A "gift" is defined as anything of value, which is directly and personally received, unless consideration of equal or greater value is given in return. Among the

sixteen (16) exceptions to the definition of "gift" set forth in Section 1-79 of the Connecticut General Statutes, a "gift" does not include:

(a) A certificate, plaque or other ceremonial award costing less than one hundred dollars ($100.00);

(b) A rebate, discount or promotional item available to the general public (items such as pencils, ball point pens, note pads and similar items used as advertisement "give-aways" fall within this category);

(c) Food or beverage or both, costing less than fifty dollars ($50.00) in the aggregate in a calendar year, and consumed on an occasion or occasions at which the person paying, directly or indirectly, for your food or beverage, or his representative, is in attendance;

(d) Admission to a charitable or civic event, including food and beverage provided at such event (but excluding lodging or travel expenses), at which you participate in your official capacity, provided such admission is provided by the primary sponsoring entity; and

(e) Anything having a value of not more than ten dollars ($10.00), provided the aggregate value of all things provided by a donor to you under this subsection in a calendar year does not exceed fifty dollars ($50.00).

3. Your "immediate family" consists of your spouse, your children, and any dependent relatives who reside in your household.

4. "Necessary expenses" are necessary travel expenses, lodging for the nights before, of and after an appearance, speech or event, meals, and any related conference or seminar registration fees.

5. A "person" means an individual, sole proprietorship, trust, corporation, limited liability company, union, association, firm, partnership, committee, club or other organization or group of persons.

6. You have an interest that is in "substantial conflict" with the proper discharge of your duties as a public official or state employee if you have reason to believe or expect that you, your spouse or dependent child, or a business with which you are associated, will derive a direct monetary gain or suffer a direct monetary loss, by reason of your official activity.

You do not have an interest which is in substantial conflict with the proper discharge of your duties as a public official or state employee, if any such gain or loss accrues to you, your spouse or dependent child, or a business with which you, your spouse or dependent child is associated, as a member of a profession,

occupation or group to no greater extent than any other member of such profession, occupation or group.

7. You have a "potential conflict of interest" when you would be required to take an action that would affect a financial interest of yours, your spouse, parent, brother, sister, child or child's spouse, or of a business with which you are associated (other than an interest of a de minimis nature), an interest that is not distinct from that of a substantial segment of the general public, or an interest in substantial conflict with the performance of your official duties.

PROHIBITED ACTIVITIES

As a public official or state employee you may not:

1. Knowingly accept any gift from any person who: (a) is known to be a registered lobbyist or a lobbyist representative; (b) is doing business with or seeking to do business with the System, your university or your department; (c) is engaged in activities which are directly regulated by the System, your university or your department; or (d) is a contractor prequalified under section 4a-100 of the Connecticut General Statutes. (A list of registered lobbyists may be found on the website maintained by the Office of State Ethics.) If an employee is offered a benefit from someone whom is not a prohibited donor as described above (that is, a non-regulated donor), and the benefit is offered because of the employee's position with the System, the total value of benefits received from one source in a calendar may not exceed $100.00.

2. Knowingly accept, directly or indirectly, any gift costing one hundred dollars ($100.00) or more either from a state employee under your supervision or from your supervisor. Nor may you knowingly give such a gift. The prohibition against accepting such gifts applies also to members of your immediate family.

3. Enter into a contract with the state, valued at one hundred dollars ($100.00) or more (other than a contract of employment as a state employee), unless the contract has been awarded through an open and public competitive process. This prohibition applies also to members of your immediate family and businesses with which you are associated. According to the Office of State Ethics, an immediate family member may not be hired as an independent contractor through special payroll unless there has been an open and public process.

4. Accept a fee or honorarium for an article, appearance, speech, or for participation at an event in your official capacity. However, you may accept payment or reimbursement for necessary expenses incurred for any such activity. If payment or reimbursement is received for lodging or out-of-state travel or both, you must report the payment or reimbursement to the Office of State Ethics within thirty (30) days of receiving such payment or reimbursement, unless the payment or reimbursement is provided by the federal government or another state

government. You may also accept admission to, and food and beverages provided by the sponsor of, an in-state event that you attend in your official capacity and as a principal speaker.

Generally, if you are asked to participate in an event, speak, appear or write an article primarily as a result of your official position or authority, then it will be deemed to be in your official capacity. If, however, you have developed an academic expertise in a particular field and you are asked to participate in an event, speak, appear or write an article as a result of such expertise, then you are not prohibited from accepting a fee or honorarium. Note that these situations are very fact specific and you are encouraged to contact the Office of State Ethics, as necessary, for clarification and guidance. Note also that services for which compensation is claimed must be provided on your own time.

5. Use your official position for personal financial benefit, or the financial benefit of a family member or a business with which you, or a family member, are associated. Further, you may not use state time, personnel or materials, including telephones, computers, e-mail systems, fax machines, copy machines, state vehicles, and any other state supplies, for personal, non-state related purposes. You may refer to the System Office or your university's Computer Use Policy, as applicable, for information relating to hardware and software use.

6. Engage in partisan political activities while on state time or use state funds, supplies, materials, equipment, vehicles or facilities for such purposes.

CONFLICTS OF INTEREST

1. You may not have a financial interest or engage in a business or professional activity that is in substantial conflict with the proper discharge of your duties as a public official or state employee, nor may you take any official action in connection with a matter in relation to which you have a substantial conflict.

2. You may not accept any other employment that will impair the independence of your judgment in carrying out your official duties or induce you to disclose confidential information acquired by you in the course of performing your official duties. Accordingly, you should never accept employment with any consultant, contractor, appraiser or any other organization or individual that has a contract or other agreement with the Connecticut State University System or any System university without full exploration of any potential conflicts of interest.

3. In accordance with the "CSU Policy Regarding Nepotism in Employment," you should not play any role in hiring, promotion, demotion, or other personnel action affecting your relative (defined to include your father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, wife, husband, domestic partner, grandmother, grandfather, grandson, granddaughter, father-in-law, mother-in-law, sister-in-law, brother-in-law, stepfather, stepmother, stepson,

stepdaughter, stepbrother, stepsister, half-brother or half-sister), nor should you take any action, directly or indirectly, to coerce, command, or require a state employee to improperly obtain an appointment for any individual to a position in state service.

You should be aware that your signing of certain documents may result in a violation of the State Code of Ethics if such action results in a financial benefit being received by a relative. Examples of such documents include personnel forms (including performance appraisals) and vouchers. Caution should be exercised, so that unintended violations do not occur.

4. You may not disclose, for financial gain, confidential information acquired by you in the course of performing your official duties or use such information to obtain financial gain for yourself, your spouse, your child, your child's spouse, your parent, your sibling or for a business with which you are associated.

5. You may not solicit or accept anything of value (including a gift, loan or promise of future employment) based on an understanding that your official action will be influenced thereby.

PROCEDURE GOVERNING CONFLICTS OF INTEREST

If, in the discharge of your duties, you are required to take any action that would present either a substantial or potential conflict of interest, you must prepare a written statement, signed under penalty of false statement, describing the matter requiring action and the nature of the conflict and deliver a copy of the statement to your immediate superior, who will assign the matter to another employee, or, if you have no immediate superior, you shall take such steps as the Office of State Ethics shall prescribe or advise. You may not take any official action whatsoever on a matter with which you have a substantial conflict of interest.

With regard to members of the Board of Trustees, the Chairman of the Board shall determine whether a trustee with a substantial or potential conflict may simply recuse him or herself from the proceeding in question, or if reassignment to another committee is necessary. If the Chairman is personally faced with such a conflict, he or she should deliver a written statement to the Office of State Ethics for guidance as to how to proceed.

POST-EMPLOYMENT ACTIVITIES

The Code of Ethics for Public Officials contains several provisions regarding post-state employment. Before leaving employment with the System, all employees should review the applicable rules and, if necessary, seek guidance from the Office of State Ethics. Once you have separated from state service, you may not:

1. Disclose or use confidential information acquired in the course of and by reason of your official duties for financial gain for yourself or any other person. This is a lifetime prohibition. "Confidential information" is any information not generally available to the public, and may be memorialized in any form (e.g., written, photographic, tape recorded, etc.).

2. Represent any person in connection with any matter: (i) in which participated, personally and substantially, while in state service; and (ii) in which the state has a substantial interest.

3. For a period of one year after leaving state service, represent anyone before your former agency, for compensation.

4. Accept employment with any person (including an individual, sole proprietorship, corporation, limited liability company, partnership, association or any other organization or group of persons) who was a party to a contract or agreement: (i) valued at an amount of fifty thousand dollars ($50,000.00) or more; and (ii) in the negotiation or award of which you substantially participated, for a period of one year after resigning from state service, if your resignation occurs less than one year after the contract or agreement was signed.

CODE OF ETHICS FOR PUBLIC OFFICIALS

The Code of Ethics for Public Officials is set forth in Chapter 10 of the Connecticut General Statutes. Should you have a question regarding whether certain conduct constitutes a violation of the Code of Ethics, you should consult with your immediate supervisor, the Ethics Officer at your institution, or the Office of State Ethics. The Office of State Ethics is located at 18-20 Trinity Street, Suite 205, Hartford, Connecticut 06106-1660. The Office of State Ethics may be contacted by telephone at (860) 566-4472, by facsimile at (860) 566-3806, and by e-mail at ose@ct.gov. The Office of State Ethics maintains a website at "http://www.ct.gov/ethics."

REVIEW BY AUDIT COMMITTEE OF THE BOARD OF TRUSTEES

In accordance with its Charter, the Audit Committee of the Connecticut State University System Board of Trustees will periodically review the administration of the conflict of interest provisions set forth herein as well as the performance of Connecticut State University System management and operating personnel under the Code of Ethics for Public Officials. The Connecticut State University System Ethics Officer will apprise the Audit Committee of issues arising under this Statement, including, to the extent permitted by law, those matters reported to the Office of State Ethics.

ITEM

The Connecticut State University System Ethics Statement

BACKGROUND

The charter of the Connecticut State University System Audit Committee states that the Committee shall, "Review the administration of the Board's conflict of interest policy." However, currently, the Board of Trustees does not have a detailed policy beyond that specified in State statute.

It is important that members of the Board of Trustees of the Connecticut State University System and all Connecticut State University System employees conduct themselves with the highest degree of honor and integrity and understand that public service is a public trust. Ethical conduct in our relationships with each other, members of the public, our students, other state agencies, and private entities is of critical importance

This Ethics Statement has been prepared pursuant to Section 1-83 of the Connecticut General Statutes, which mandates the development and implementation of an Ethics Statement by each state agency. It applies to the members of the Board of Trustees and to all employees of the Connecticut State University System.

ANALYSIS

Section 3 of the Bylaws of the Board of Trustees states in part, "Members of the Board of Trustees shall serve for the public good and not for personal interest or gain. They shall comply with the provisions of the Code of Ethics for Public Officials set forth in Sections 1-79 - 1-90 of the Connecticut General Statutes... A trustee may not directly enter into a contract for fee or be employed by the Connecticut State University System. A Trustee shall not engage in any activity that violates the intent of this section and shall avoid any appearance of impropriety." However, no further specifics are provided within the Bylaws regarding conflicts of interest and other ethical issues. Given the importance of ethics and ethical behavior as regards State officials, as well as the Audit Committee's specific charge regarding administration of the Board of Trustees conflict of interest policy, a more detailed Ethics Statement would be beneficial to all Connecticut State University System Trustees as well as Connecticut State University System employees, who are also governed by State ethics statutes.

It should be noted that the proposed Ethics Statement has been reviewed and approved by the Office of State Ethics. It is intended to serve as a guide to trustees and employees in identifying and avoiding prohibited conduct and serves to supplement, not supersede, the Bylaws of the Board of Trustees and the Code of Ethics for Public Officials. However, the proposed Ethics Statement does supercede any previously published expository statement providing similar guidance to trustees and employees, including the Connecticut State University System Ethics Statement published in October, 1995.

CHANCELLOR'S RECOMMENDATION

That the Board of Trustees for the Connecticut State University System adopt the proposed Connecticut State University System Ethics Statement, and that this Statement supercede any previously published expository statements providing similar guidance to Connecticut State University System Trustees and employees.

STAFF REPORT AUDIT COMMITTEE

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