

NORTHEAST OHIO REGIONAL SEWER DISTRICT CODE OF ETHICS

Introduction

The Northeast Ohio Regional Sewer District (NEORS) Board of Trustees (Board) has adopted this Code of Ethics for all members of the Board and all NEORS employees ("Code"). This Code is effective as of the date of its adoption by the Board and upon adoption shall supersede and replace all previous versions of this Code in their entirety.

The Board adopted this Code for the following reasons:

- To increase public confidence in the integrity of NEORS.
- To ensure that all Board Members and employees are independent and impartial, as well as preserve the appearance of being independent and impartial, in the performance of their job duties.
- To ensure that service to, and employment by, NEORS is not used for private benefit.
- To demonstrate the high level of integrity of NEORS employees by establishing standards for ethical conduct.
- To eliminate conduct not consistent with good ethical practices, without creating unnecessary barriers to public service.

It is the responsibility of each and every person to whom this Code applies to become familiar with his or her obligations under this Code and to comply with the applicable requirements. Further, it is stressed that the obligations under this Code are an ongoing responsibility of each person to whom it applies, regardless of any requirement of periodically documenting compliance with them.

This Code is in addition to any ethical duties otherwise placed upon an individual by law or profession. The NEORS Law Department and the Ohio Ethics Commission will assist anyone with questions they may have regarding their ethical obligations as a public servant.

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Code of Ethics for Trustees and Employees of the Northeast Ohio Regional Sewer District

1.0 Purpose and Scope

It is essential to the proper administration and operation of the NEORSD that its Board, the Executive Director, each director or deputy director of the NEORSD ("Senior Staff"), and all NEORSD employees are and give the appearance of being independent and impartial; that service to and employment by the NEORSD not be used for private benefit; and that the public have confidence in the integrity of the NEORSD as a public agency. In recognition of these goals, the NEORSD has adopted this Code.

The purpose of this Code is to establish standards of ethical conduct applicable to the Board, as an entity and its members individually, and NEORSD employees in the discharge of their official duties, by prescribing restrictions against conflicts of interest and other types of conduct not consistent with good ethical practices, without creating unnecessary barriers to public service.

Comment

Board Members and many employees are in positions where they have the authority to make recommendations, or influence decisions, which may have a direct effect on their private or personal interests. Board Members and employees may not use, or attempt to use, their position with NEORSD for personal gain or benefit. This Code sets forth ethical standards that Board Members and employees must adhere to in performing public service.

2.0 Legal References

There are numerous federal and state laws, rules and regulations which govern the conduct of public officials and employees. All Board Members and NEORSD employees must comply with the applicable provisions of federal and state law, and the applicable rules and regulations governing the conduct of public officials, including but not limited to the Ohio Ethics Law (Ohio Revised Code ("ORC") Chapter 102) and Offenses against Justice and Public Administration (ORC Chapter 2921). Certain sections of this Code are derived from the provisions of Ohio law governing public officials. References to state statutes are intended to advise NEORSD personnel of those statutes which may provide penalties in the event of violation. References to these statutes are not intended, however, to automatically incorporate them into this Code. The criminal and civil penalties contained in such statutes and their procedural and evidentiary standards are considered to be independent of this Code.

Any discipline imposed or other action taken under this Code is independent of any penalty that may be sought or imposed under federal or state law. The standards in this

Code shall not preclude other, more stringent standards required by applicable law. Nothing in this Code shall be construed to limit full compliance with applicable federal and state laws and applicable rules and regulations governing the conduct of public officials now existing or hereinafter enacted.

It is further recognized that certain professional employees of the NEORSD including, but not limited to, attorneys, accountants, architects and engineers, may be subject to codes of professional conduct as members of their respective professions. Nothing contained in this Code shall be construed to limit full compliance with those codes of professional conduct applicable to NEORSD professional employees.

Comment

Board Members and employees are still required to comply with applicable provisions of federal and state laws governing their conduct. This includes criminal laws. Employees in certain professional capacities must also comply with the codes of conduct for their individual professions. In the event that those standards are more stringent than the NEORSD Code of Ethics, the Board Members and employees must comply with the more stringent law.

3.0 Avoidance of the Appearance of Impropriety

All members of the Board and NEORSD employees should conduct their official duties with integrity and impartiality and in a manner that avoids even the appearance of impropriety or a conflict of interest between public duties and private interests.

No Board Member or other employee may, by conduct or participation in activities through or outside of NEORSD employment, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy favor in the performance of official acts or actions, or is affected in the performance of official acts or actions unduly by kinship, rank, or association with any person.

Pursuant to this obligation, all Board Members, the Executive Director, Senior Staff and other individuals specified by the Executive Director must complete and sign the questionnaire attached to and incorporated into this Code on an annual basis. It is again emphasized that although this reporting obligation is annual, the compliance obligation is continuous.

Comment

This section is intended to emphasize to Board Members and NEORSD employees how important it is to avoid even the appearance of impropriety in matters that may come before them in their capacity with NEORSD. Public officials and employees owe a primary duty to the public they serve. They must always act in the best interest of the public, and

not in the interest of any special-interest groups, or for private gain. Board Members and NEORS D employees must avoid any actions which may be viewed with suspicion by the public which they serve.

Examples

A Board Member who holds office in a local civic organization publicly states that he will use his or her position as a Board Member to secure free or reduced sewer charges for the organization. This is improper conduct.

An employee uses official position at NEORS D to endorse a computer software program that was developed and licensed by a computer software firm under license with the NEORS D. This endorsement gives the appearance of impropriety, and is prohibited.

A Board Member actively pursues the award of a contract to a company or firm that is owned or represented by a close friend or business associate of the Board Member. Such activity gives the appearance of impropriety.

An employee uses his or her position to influence the award of a contract to a former employee. This is improper conduct.

4.0 Definitions

As used in this Code, the singular includes the plural, and the plural includes the singular, words of one gender include the other gender, words in the present tense include the future. Solely for the purposes of this Code, the following words or phrases shall be construed to have the following meaning, unless the context otherwise requires:

A. "Anything of value" means:

- (1) Money, Treasury notes, bills, bonds, or notes issued by lawful authority and intended to pass and circulate as money;
- (2) Goods and chattels;
- (3) Promissory notes, bills of exchange, orders, drafts, vouchers, or checks;
- (4) Interests in lawsuits or other legal claims or actions;
- (5) Things annexed or attached to real property;
- (6) Any present or future interest in realty, including leasehold interests;
- (7) Any promise of future employment;
- (8) Ticket(s) or access to any recreational or entertainment venue or sporting event(s) with a total face value greater than \$25; or
- (9) Every other thing of value.

B. "Board Member" means a member of the Board of Trustees of the NEORS D.

- C. "Beneficial interest" means any ownership by the Board Member or employee or a member of his or her Immediate Family in a business the Board Member or employee is associated with.
- D. "Benefit" means anything regarded as economic gain or economic advantage, including benefit to any other person in whose welfare the beneficiary is interested.
- E. "Business" includes, but is not limited to mean, any corporation, limited liability company, partnership, sole proprietorship, firm, enterprise, franchise association, organization, self-employed individual, consultant, holding company, joint stock company, receivership, trust, labor organization, union, or any legal entity organized for profit or non-profit.
- F. "Confidential Information" means any information (whether written or oral, tangible or intangible, whether in hard copy, machine readable, digital, electronic format or otherwise) concerning the NEORSD, its operations, affairs, employees or Board Members that (i) is confidential because of federal or state statutory provisions; (ii) has been designated as confidential to the person receiving such information by the party delivering, disclosing or making such information available; (iii) has been designated as confidential by the Board; (iv) NEORSD is prohibited from disclosing by a contractual, legal, fiduciary or other obligation; or (v) is non-public information that is otherwise exempt from public inspection and copying under Ohio law. By example and not by way of limitation, Confidential Information includes all information generated by NEORSD relating to its pre-award evaluation of bids and proposals as well as all personnel records protected from disclosure by applicable federal or state law.
- G. "Compensation" means money, thing of value or financial benefit. It also means payment, in any form, of real or personal property conferred on or received by a person to whom this Code is applicable, in return for services rendered or to be rendered by himself or another. Compensation does not include reimbursement for actual and necessary expenses incurred in the performance of official duties.
- H. "Contract" means any agreement with the NEORSD expressed or implied, executed or executory, oral or written for the purchase or acquisition of property or services by or for the use of the NEORSD or any agreement for the design, construction, alteration, repair or maintenance of any NEORSD property or property interest.
- I. "Employee" means any person who performs services of any kind for the NEORSD for compensation who is not a Board Member, an independent contractor or an employee of an independent contractor engaged by NEORSD.
- J. "Employment" means rendering of service for pay.

- K. "Gift" means a voluntary transfer of real or personal property of any kind, or the voluntary rendition of services of any kind, without consideration of equal or greater value provided in return. Gifts shall not include:
- (1) Any symbolic presentation, the nature of which is not to financially benefit the recipient;
 - (2) Any reasonable hosting expenditure, including travel expenses, entertainment, meals or refreshments furnished in connection with appearances, ceremonies and occasions reasonably relating to official NEORSD business, if furnished by the sponsor of such public event;
 - (3) Any generally attended conference, seminar or NEORSD-, industry- or professional-related activities reasonably open to general event attendance;
 - (4) Relatively inexpensive items of personal property or expenses of less than \$25 in value, such as meals, a calendar, a box of candy or bouquet of flowers, which are clearly given as a simple act of human kindness, thoughtfulness and appreciation.
- L. "Immediate Family" shall mean spouse, cohabitant, domestic partner, mother, father, step-parent, mother-in-law, father-in-law, child, brother, sister, half-brother, half-sister, step-brother, step-sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparent, grandchild, and persons to whom you stand *in loco parentis* or persons *in loco parentis* to you.
- M. "NEORSD" means the Northeast Ohio Regional Sewer District.
- N. "Official Act" or "Official Action" means any administrative, appointive or discretionary act of the NEORSD, its Board Members or employees.
- O. "Participate" means to take part in official acts or actions or proceedings as a Board Member or an employee through vote, approval, disapproval, decision, recommendation, rendering advice, investigation or failure to act or perform a duty or other substantial exercise of administrative discretion.
- P. "Person" means any individual, business, labor organization, representative, fiduciary, trust, or association, whether paid or unpaid, and includes any Board Member or other employee of the NEORSD.
- Q. "Privileged Information" means all communications and work product (whether written or oral, tangible or intangible, whether in hard copy, machine readable, digital, electronic format or otherwise) by, with, from or through any professional legal advisor, including the NEORSD Director of Law or other counsel, engaged by or on behalf of the NEORSD or the Board (or any committee thereof), that is recognized under Ohio law as being protected by the attorney-client privilege.

R. "Property" means any property, whether real or personal, tangible or intangible, and includes currency and commercial paper.

Examples

Information contained in the personnel file of an NEORS D employee is provided to another NEORS D employee in response to a properly made public records request and the receiving NEORS D employee publishes Confidential Information contained in that personnel file on the Internet. The misuse of the Confidential Information is a violation of this Code.

In evaluating competing bids or proposals, the NEORS D staff compiles and analyzes information submitted by various bidders as part of its determination of which bidder will be awarded the contract. A member of the NEORS D staff contacts one or more of the bidders for clarification of an issue raised by the NEORS D analysis. The NEORS D employee has violated this Code because the information contained in the NEORS D analysis is confidential and disclosing the fact of the analysis and/or the content of the analysis is inappropriate. The NEORS D reserves the right to not comment on why it chooses to reject any or all bids or proposals. In this instance, the inappropriate contact may have tipped a bidder as to why it was or was not selected as the winning bidder.

5.0 STANDARDS OF CONDUCT

5.1 Conflict of Interests - Disclosure Requirement

No Board Member or NEORS D employee, whether paid or unpaid, shall engage in any business or transaction, or have a financial or personal interest, direct or indirect, which is incompatible with the proper discharge of his or her official duties in the public interest, or which would tend to impair his or her independence of judgment or action in the performance of his or her official duties, without first making a public disclosure thereof and then abstaining from voting thereon or from making a decision related thereto. Personal, as distinguished from financial interest, includes an interest arising from blood or marriage relationships, close business or political association, or other close personal relationship.

Examples

An NEORS D Engineer who owns a residence in the possible path of an open-cut excavation project uses his position to shift the location of the project to avoid personal inconvenience. This is improper conduct.

An employee uses her official position at NEORSD to endorse computer software developed and licensed by firm in which she is a principal. This endorsement gives the appearance of impropriety, and is prohibited.

5.2 Evaluation, Selection and Contract Awards to Former Employers

NEORSD employees, including engineers, attorneys, and other professionals, are prohibited from participating in the evaluation, selection and/or awarding of contracts to their own former employers in the NEORSD's consultant selection process for a period of 12 months after the conclusion of employment with the former employer, or at any time to the current employer of any Immediate Family member.

Comment

An NEORSD employee should avoid any actions through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or other substantial exercise of administrative discretion on behalf of a former employer or the employer of an immediate family member.

This section requires Board Members and NEORSD employees to make a disclosure of business or financial transactions which are incompatible with their official duties. Only the nature of the interest must be disclosed. This section also covers personal interest. The burden of making such disclosure rests with the individuals concerned. Any Board Member or NEORSD employee may rely upon a written advisory opinion from the Ohio Ethics Commission or the NEORSD Director of Law as to whether this section warrants disclosure, in their own individual case.

Example

A Board Member is requested to act on a resolution awarding a contract to a company that employs the Board Member. The Board Member should disclose his or her interest, and abstain from voting.

An employee in the Purchasing Department has the responsibility to make a recommendation to award a contract, and one of the companies being considered is owned by her husband. The employee should notify her supervisor, and refrain from making a recommendation. The supervisor should delegate that responsibility to another employee.

An employee in the Engineering and Construction Department is asked to participate in the evaluation of proposals for a design contract. One of the proposing consultants is a former employer of the employee. The employee should notify his or her supervisor, disclose the relationship, and refrain from participating further in the selection process.

5.3 Treatment of Confidential Information and Privileged Information

No Board Member or NEORSD employee shall disclose or use, without appropriate authorization, any Confidential Information or Privileged Information; provided, however, that public disclosure of such information may be made without violating this Code if (i) with respect to Privileged Information, the Board has adopted a resolution specifically waiving its privilege, and then only to the extent of such waiver; and (ii) with respect to Confidential Information, the (A) Board has adopted a resolution authorizing the public disclosure of the Confidential Information; (B) the Confidential Information was or became generally available to the public prior to, and other than as a result of, a disclosure by the disclosing person; or (C) the person making the disclosure has obtained a written advisory opinion from the NEORSD Director of Law, prior to such disclosure, stating that the information to be disclosed does not meet the definition of Confidential Information or Privileged Information, as the case may be.

Comment

This section prohibits Board Members and NEORSD employees from disclosing, or using for personal profit or gain, non-public information which that person has access to because of his or her relationship with the NEORSD. The section also discusses the restrictions on Board and employees of the NEORSD from disclosing information that is protected by the NEORSD's attorney-client privilege.

Release or use of such confidential information undermines public confidence and respect for the NEORSD since such information is entrusted to Board Members and NEORSD employees as a result of their relationship with the NEORSD. Disclosure of attorney-client privilege jeopardizes the NEORSD's legal rights and positions in actual or prospective legal proceedings.

Confidential Information may also be Privileged Information.

Violations of the District's rules regarding the treatment of Confidential Information and Privileged Information will not be tolerated. If you are in doubt as to how you should handle either, you should consult the District's Director of Law.

Examples

An employee in the Law Department purchases land with advanced, undisclosed knowledge of NEORSD's interest in purchasing the same land. The employee's purchase of land based on "inside" information violates this section of the Code.

An employee in the Human Resources Department, without prior authorization, discloses information regarding the investigation of an NEORSD accident to an attorney representing a person claiming to have been injured in the accident. The employee

violated this section, because information necessary to the conduct of NEORSD business was disclosed.

A Board Member, in order to gain a political or professional advantage, discloses to non-NEORSD individuals information obtained during discussions, correspondence or email exchanges with other Board Members or with NEORSD employees or through non-public reports or other documentation provided by the NEORSD or its advisors. The Board Member violated this section because Confidential Information has been disclosed without authorization. If a Board member disagrees with the classification of such information as Confidential Information, he or she can seek and rely upon a written advisory opinion from the NEORSD's Director of Law, obtained prior to the disclosure, that such information that the Board Member wants to disclose is not within the definition of Confidential Information.

Legal counsel briefs Board Members in Executive Session on discussions with a party that is actively threatening litigation against the NEORSD, including the status of open points of discussion that might avoid litigation and possible legal exposures for the NEORSD. The information discussed between the Board and its legal counsel should be presumed to be Privileged Information. A Board member may request the Board to waive its privilege with respect to any or all Privileged Information. If the Board does not adopt a resolution specifically waiving the privilege, disclosure of the Privileged Information by the Trustee to any third party is a violation of this Code. If a Board member disagrees with the classification of such information as Privileged Information, he or she can seek and rely upon a written advisory opinion from the NEORSD's Director of Law, obtained prior the disclosure, that such information that the Board Member wants to disclose is not within the definition of Privileged Information.

5.4 Gifts, Favors and Other Things of Value

No Board Member or NEORSD employee, shall use, or authorize the use, of his or her office or employment to secure anything of value or the offer or promise of anything of value that is of such a character as to manifest or appear to manifest a substantial and improper influence on him or her with respect to his or her duties.

In addition, no Board Member or NEORSD employee shall:

- A. Solicit, accept, or agree to accept, anything of value that is of such a character as to manifest a substantial and improper influence upon him or her with respect to his or her duties.
- B. Solicit, accept, or agree to accept, any benefit as consideration for the Board Member's or an NEORSD employee's decision, opinion, recommendation, vote or other exercise of discretion as a public servant.

- C. Solicit, accept, or agree to accept, any benefit as consideration for a violation of a duty imposed by law, policy or contract on the Board Member or employee.
- D. Solicit, accept, or agree to accept, any benefit from a person the Board Member or NEORSD employee knows is interested in or likely to become interested in any NEORSD contract or transaction.
- E. Use his or her official position or employment, or NEORSD's facilities, equipment or supplies for personal use or to obtain, or attempt to obtain, private gain or advantage.
- F. Engage in local, state or federal political activities during their regular hours of employment with the NEORSD, unless doing so is part of the employee's job description or, if such person is a Board Member, is in fulfillment of their lawful duties and responsibilities as a Board Member.
- G. Use NEORSD funds, supplies, vehicles, or facilities to promote a personal cause, candidate or issue.
- H. Use his or her position at the NEORSD to influence, directly or indirectly, any payments, contributions or loans to a party, committee, organization, agency or person for personal, political or charitable purposes.
- I. Use his or her position at the NEORSD to directly or indirectly coerce, command, or advise an NEORSD employee to contribute anything of value to a party or person for personal, political or charitable purposes.

Comment

This section prohibits Board Members and NEORSD employees from soliciting or accepting money, goods, services, real estate interests, promises of future employment, etc., in cases where it could be reasonably inferred that the benefit(s) solicited was intended to influence a decision by that Board Member or NEORSD employee. This section does not prohibit Board Members and NEORSD employees from accepting relatively inexpensive items, such as meals or refreshments, calendars, pens and candy, which have a value of less than \$25, and are being given either as a promotional item, or out of kindness.

Examples

An Engineering and Construction Department employee, seeking employment for his spouse, asks the president of a company that has submitted a proposal for an NEORSD contract to offer his spouse a job. Such a request for employment violates this section, because it can be inferred that this request was being made in return for a favorable recommendation by the NEORSD employee.

A construction company has submitted a bid on an NEORS D project. The president of the company approaches a Board Member and promises that if his firm is the successful contract bidder, he will buy supplies from a firm owned by the Board Member. The Board Member promises to use his position to secure the contract for the construction company. The Board Member has violated this section of the Code.

An employee has his lunch purchased by a firm doing business with or seeking to do business with the NEORS D. If this is done on a regular or frequent basis, such conduct is a violation of this section of this Code. If it is an isolated or infrequent event, and was not solicited by the employee, then such conduct is not a violation of this Code, provided the employee's lunch is less than \$25.

A Board Member or NEORS D employee has a casual discussion with a local legislator regarding pending legislation that could impact NEORS D operations. This is proper conduct by the Board Member so long as the Board Member is not soliciting a personal or political benefit for himself or herself. This is proper conduct by the NEORS D employee so long as he or she does not engage in lobbying the legislator for a specific result or outcome with respect to the legislation, unless the NEORS D employee's job description includes participation in these activities.

An employee uses an NEORS D computer and printer to produce pamphlets to endorse a personally preferred political candidate in an upcoming election. This is improper conduct.

A Board Member who is also an elected official specifically touts his or her position as a Board Member as part of a solicitation to secure campaign contributions for re-election is in violation of this Code. However, if the Board member merely references in campaign literature the fact that he or she is a Board Member among his or her other achievements and occupations generally, he or she will not be regarded as having violated this Code unless the totality of the circumstances warrants a different conclusion.

An employee uses her position at NEORS D to convince contractors who work for NEORS D to contribute to a political action committee. This request gives the appearance of impropriety, and is prohibited.

A Board Member requests that NEORS D employees contribute to his favorite charity at Christmas. Such activity gives the appearance of impropriety and is prohibited.

An NEORS D employee voluntarily contributes to the NEORS D Holiday Drive or other NEORS D-sponsored charitable activities. This is permitted under this Code.

5.5 Incompatible Employment

A. No Board Member or NEORS D employee shall engage in or accept private employment or render service for private interests when such employment or service

is incompatible with the proper discharge of his or her official duties, or would tend to impair his or her independent judgment or action in the performance of his or her official duties.

- B. No Board Member or NEORSD employee shall represent private interests in any action or proceedings involving the interest of the NEORSD, in any capacity, in matters in which the NEORSD is a party.
- C. No present or former Board Member or NEORSD employee shall, during his or her public employment or service or for a period of twelve (12) months immediately thereafter, represent a client or act in representative capacity for any person on any matter in which he or she personally participated as a Board Member or NEORSD employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or other substantial exercise of legislative or administrative discretion.
- D. All Board Members, the Executive Director, Senior Staff and other individuals specified by the Executive Director must complete and sign the questionnaire attached to this Code as requested, but in any event not less than on an annual basis.

Comments

Board Members and NEORSD employees owe an undivided duty to the public. Employees must be able to exercise independent and objective judgment when making discretionary decisions that affect the NEORSD. Board Members and NEORSD employees cannot hold other employment that would affect their ability to make objective decisions on behalf of the NEORSD. This section also prohibits present and former Board Members and NEORSD employees from representing a private client in any matter in which they participated in an official capacity while serving or being employed by NEORSD. This restriction most often applies to professionals, such as attorneys, accountants and engineers, although it may apply to any NEORSD employee.

Examples

A person is working two jobs: as an NEORSD employee and at a company that is a contractor to NEORSD. If the person's NEORSD job duties include, directly or indirectly, supervising, evaluating or approving the retention of his other employer, there exists a conflict of interest that, on its face, is a violation of this Code.

A Board Member, who is also an attorney, personally represents, or is an owner or employee of a firm that represents, a client who has sued the NEORSD. Unless the Board Member promptly and properly discloses the facts and has obtained the necessary waivers or put in place the requisite protections specified by the NEORSD Director of Law or

terminated his or her representation of the client, the Board Member will be in violation of this Code.

5.6 Nepotism

No Board Member or NEORSD employee shall seek to influence the hiring decisions respecting persons seeking employment with the NEORSD where the employment candidate is a member of the Board Member's or NEORSD employee's Immediate Family, as the case may be. This provision shall not apply to those persons who are hired as NEORSD employees pursuant to a collective bargaining agreement to which the NEORSD is bound.

This provision shall not prevent the retention or advancement of any person who has been continuously employed in his or her position prior to the appointment of the Board Member or the employment of the NEORSD employee in the Immediate Family of such person, or prior to the adoption of this Code; provided, however, that the Board Member or NEORSD employee in the Immediate Family shall not participate in any deliberation, voting, or appointment process directly related to that person.

In order to avoid even the appearance of nepotism, no Board Member or NEORSD employee shall conduct a performance evaluation of, or participate in disciplinary action for, a member of his or her Immediate Family. Any employee shall disclose such a conflict to the Executive Director who will designate an appropriate person to conduct a fair and impartial evaluation.

Comment

This section is intended to ensure that all persons stand on equal footing when applying for a job at the NEORSD, and when they are evaluated by their supervisor.

Examples

The Executive Director hires the son-in-law of a Board Member to a position at the NEORSD. The Executive Director has violated this section.

A supervisor is required to evaluate his son-in-law, who has achieved his position through collective bargaining provisions. The supervisor should inform the Executive Director and have another person evaluate his son-in-law to avoid even the appearance that he gave his son-in-law favored treatment.

5.7 Financial Disclosure

Each Board Member and the Executive Director shall comply with all reporting and financial disclosure requirements of the Ohio Ethics Commission, including annually

completing and filing such financial disclosure statements required by Ohio law ("OFDS"). A copy of each completed OFDS shall be promptly provided to the NEORSD Audit Manager.

The following employees shall complete and provide the consolidated financial disclosure form approved by the Board ("CFD") without regard to whether such person is required to file the OFDS with the Ohio Ethics Commission: Executive Director, Deputy Executive Director, Director of Law, Director of Finance, Deputy Director of Law, Deputy Director of Finance, and any other employee whose job duties the Executive Director determines from time to time should require the filing of a CFD.

The Audit Manager shall review each OFDS and CFD and shall report to the Audit Committee and the NEORSD Director of Law any information contained therein that in the opinion of the Audit Manager, presents or may present the appearance of impropriety. At least annually, the Audit Manager shall report to the Board (or a committee of the Board designated by the President of the Board) the name of any person who has failed to provide the Audit Manager with a properly completed OFDS and/or CFD as and when required under this Section 5.7 of the Code. Upon request of any Board Member, the Audit Manager shall promptly provide the Board with copies of any OFDS or CFD provided to the Audit Manager under this Section 5.7. Unless authorized or directed by the Board (or a committee of the Board designated by the President of the Board), the Audit Manager shall not have the authority to inquire into the contents of or any disclosure made in any OFDS or CFD.

NEORSD employees who fail to file the required OFDS or CFD as required by Ohio law or this Code shall be subject to disciplinary action consistent with NEORSD policies and procedures.

Comment

The purpose of this section is to deter improper and unethical conduct by requiring all Board Members and designated employees to complete and timely file appropriate disclosure statements. Filing these statements will enhance the integrity of and public confidence in the NEORSD as a whole, and provide a tool to monitor potential conflicts of interest. Board Members will file their disclosure statements with the Ohio Ethics Commission, if required to do so by Ohio law. Copies of the filings with the Ohio Ethics Commission are to be provided to the Audit Manager. All Board Members and NEORSD employees required to do so shall file the NEORSD disclosure statement with the Audit Manager.

6.0 ETHICS ADVISORY OPINIONS

Unless specifically provided otherwise in this Code, a Board Member or NEORSD employee seeking further interpretation of this Code, as it applies to specific factual situations, may

rely upon written advisory opinions from the Ohio Ethics Commission or from the NEORSD Director of Law. The NEORSD Director of Law may, at his or her discretion, submit any question presented to him or her to the Ohio Ethics Commission or the Ohio Attorney General.

However, the NEORSD Director of Law shall, under no circumstances, owe a professional duty to any individual Board Member or NEORSD employee seeking such an opinion. The issuance of advisory opinions shall not establish an attorney-client relationship between the NEORSD Director of Law and any NEORSD Board Member or NEORSD employee with regard to the subject matter of the request or otherwise.

All Board Members and NEORSD employees fall within the substantive conflict of interest provisions of the ORC and are subject to investigation by the Ohio Ethics Commission for alleged violations of the provisions of this Code. All Board Members and NEORSD employees are encouraged to contact the Ohio Ethics Commission concerning the applicability of the Ohio Revised Code to their service to or employment by the NEORSD, as the case may be.

Comment

The Ohio Ethics Commission issues advisory opinions in response to questions related to conflicts of interest or financial disclosure.

Advisory opinions serve to interpret the law, and may be especially useful to public servants who are considering an activity which they suspect may involve a conflict of interest.

The opinion, if it approves of the activity, provides the official or employee, and other public officials similarly situated, with immunity from prosecution. If the opinion finds the activity would be prohibited, the public servant would be in violation of the law if he or she proceeded, and therefore should avoid the activity.

Requests should be sent to:

*Ohio Ethics Commission
William Green Building
30 West Spring Street, L3
Columbus, Ohio 43215-2256
Phone: 614-466-7090
Fax: 614-466-8368
Email: ethics@ethics.ohio.gov*

The NEORSD Director of Law will also respond to requests for assistance from Board Members and NEORSD employees regarding ethical questions, if requested; however, that

opinion would not provide the Board Member or NEORS D employee with immunity from any criminal prosecution, nor will it preclude disciplinary action.

7.0 VIOLATION OF THE CODE OF ETHICS

7.1 Board Members

Violations of this Code by a Board Member may result in any or all of the following actions by the Board: censure, a vote of no confidence, notification of the Board Member's appointing authority of the misconduct, or referral of the matter by the Ohio Ethics Commission. If a Board Member is accused or suspected of a breach of Section 5.3 of this Code, the Board may also refer the matter to the Cuyahoga County Prosecutor.

Before the Board proceeds to take any formal action against a Board Member under this Section, a committee of the Board shall first review the facts to determine if a complaint or suspicion that a Board Member has violated this Code is (i) not frivolous, and (ii) reasonable cause exists to believe that a violation of this Code has occurred. The Board Member to whom the review is directed shall be informed of the review, the allegation or complaint and may, if he or she desires, attend committee meetings, with legal counsel, and make a statement to the committee. If the committee does not so find, it shall notify the Board Member, in writing, of its conclusions and the matter shall be dismissed. Unless otherwise requested, in writing by the Board Member, the Board shall make a public report of the committee's finding. If the committee does so find, it shall refer the matter to the Board for further action. If the Board determines that further action is warranted, the Board Member against whom the action is directed shall be given reasonable notice by certified mail of the date, time and place that the Board shall conduct a hearing on the matter as part of a regular or special Board meeting. The Board's notice shall include a statement of alleged violations of this Code by the Board Member and the Code section(s) directly involved. The Board Member's legal counsel may attend and participate in the Board's proceedings and the Board Member or his or her counsel shall be given reasonable opportunity to examine the evidence against the Board Member, to produce evidence for consideration by the Board and, at any hearing, to call witnesses in the Board Member's defense, to confront his or her accusers, if any, and to cross-examine witnesses, if any, called by the Board. The Board shall have a stenographic record made of the hearing. The hearing shall be open to the public.

Any person to whom this Code applies who has any information that indicates a Board Member may have violated provisions of the Ohio Ethics Law (ORC Chapter 102) and Offenses against Justice and Public Administration (ORC Chapter 2921) shall provide that information to the Board and the Ohio Ethics Commission.

7.2 Employees

The Executive Director or other NEORS D employee authorized by the Board may impose such discipline, sanctions and penalties against an NEORS D employee who is found to have violated this Code as may be appropriate, including official reprimand, suspension or dismissal from employment. All disciplinary action taken under this Code with respect to NEORS D employees shall be consistent with the NEORS D employment policies and procedures, including appropriate due process considerations.

7.3 Contractors

Any business or any principal of any business contracting with NEORS D which offers, confers or agrees to confer any benefit as consideration for a Board Member's or NEORS D employee's decision, opinion, recommendation, vote or other exercise of discretion as a public servant or in exchange for the Board Member's or employee's having exercised his or her official powers or performed his or her official duties or which participates in the violation of any provision of this Code may have its existing NEORS D contracts terminated and may be excluded from future business with NEORS D for a period of time determined by the Board. These determinations shall be made by the Board in accordance with appropriate due process considerations. All bid documents and contracts issued by the NEORS D shall contain a provision advising prospective bidders and contractors of this section.

8.0 EFFECTIVE DATE

The effective date of this Code shall be the date of adoption by the Board.

The propriety of any official act or action taken by a transaction involving any Board Member or NEORS D employee prior to the effective date of this Code shall not be affected by the enactment of this Code.

9.0 AMENDMENTS AND PERIODIC REVIEW

9.1 Periodic Review

This Code will not be subject to any scheduled review, but shall remain in full force and effect until revised or amended by the Board.

9.2 Amendments

Any amendment or revision to this Code must be approved by the Board. Consideration of an amendment or revision may be initiated by any Board Member or the Executive Director.