

# **The County of Lackawanna Transit System (COLTS)**

## **Code of Conduct Policy**

The County of Lackawanna Transit System Authority (COLTS) will be intolerant of unethical and fraudulent acts committed by any employee, manager or member of the board of directors. The following Code of Conduct policy outlines many areas where unacceptable practices could occur; however, this policy is not limited only to the outlined areas. Employees, managers and board members are also encouraged to report any suspected unethical or fraudulent acts according to the process contained within this policy.

The Common Grant Rules require each recipient to maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.

### *Organizational Code of Conduct*

COLTS, its employees and board members must, at all times, comply with all applicable laws and regulations. COLTS will not condone the activities of employees or board members who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates or bribery. COLTS does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be well above the minimum standards required by law. Accordingly, employees and board members must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing COLTS' operations.

Employees uncertain about the application or interpretation of any laws or regulatory requirements should refer the matter to their manager, who, if necessary, should seek the advice of the executive director, the solicitor, or a regulatory representative.

### *General Conduct*

COLTS expects its employees and board members to conduct themselves in a businesslike manner. Unprofessional behavior or activities are strictly prohibited while on the job.

### *Conflict of Interest*

COLTS expects that its employees and board members will perform their duties conscientiously, honestly and in accordance with the best interests of COLTS. Employees and board members must not use their positions or the knowledge gained as a result of their positions for private or personal advantage. Regardless of the circumstances, if employees or board members sense that a course of action they have pursued, are presently pursuing or are contemplating pursuing may involve them in a conflict of interest with COLTS, they should immediately communicate all the facts to their manager, the executive director or the board chairperson.

As provided in the Common Grant Rules and the Federal Transit Administration (FTA) Master Agreement, no employee, officer, agent, or board member, or his or her immediate family member, partner, or organization that employs or is about to employ any of the foregoing may participate in the selection, award, or administration of a contract supported with FTA assistance if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of those previously listed has a financial or other interest in the firm selected for award.

### *Outside Activities, Employment, and Directorships*

All employees and board members share a serious responsibility for COLTS' good public relations, especially at the community level. Their readiness to help with charitable, educational and civic activities brings credit to COLTS and is encouraged. Employees and board members must, however, avoid acquiring any business interest or participating in any other activity outside COLTS that would or would appear to:

- Create a conflict of interest – an obligation, interest or distraction – that may interfere with the independent exercise of judgment in COLTS' best interest.

### *Relationships With Clients and Suppliers*

Employees and board members should avoid investing in or acquiring a financial interest for their own accounts in any business organization that has a contractual relationship with COLTS or that provides goods or services or both to COLTS, if such investment or interest could influence or create the impression of influencing their decisions in the performance of their duties on behalf of COLTS.

Board members who are employed by organizations that have contractual relationships with COLTS, or provide goods and/or services to COLTS, must remove themselves from any contractual or procurement deliberations related to their employers.

### *Gifts, Entertainment and Favors*

Employees and board members must not accept entertainment, gifts or personal favors that could, in any way, influence or appear to influence business decisions in favor of any person or organization with whom or with which COLTS has or is likely to have business dealings. Similarly, employees and board members must not accept any other preferential treatment under these circumstances because their position with COLTS might be inclined to or be perceived to place them under obligation. This section shall not apply to any *de minimis* situation, equal to or lesser than \$50.00 semi-annually that does not compromise the objectivity of any Authority Board Member or member of the Authority Administration.

The recipients of FTA funding including its officers, employees and agents may neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subagreements. The recipient may set minimum rules when the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. The value of such gifts shall not to exceed \$50.00 semi-annually.

### *Kickbacks and Secret Commissions*

Regarding COLTS' business activities, employees and board members may not receive payment or compensation of any kind from contractors, potential contractors, or parties to subagreements. In particular, COLTS strictly prohibits the acceptance of kickbacks and secret commissions from suppliers or others. Any breach of this rule shall result in disciplinary action, up to and including immediate termination with prosecution to the fullest extent of the law.

### *COLTS Funds and Other Assets*

Employees and board members who have access to COLTS funds in any form must follow the prescribed procedures for recording, handling and protecting money. COLTS imposes strict standards to prevent fraud and dishonesty. If employees or board members become aware of any evidence of fraud and dishonesty, they shall immediately advise their manager, the executive director, or the chairperson of the Board, so a prompt investigation can commence.

When an employee's position requires spending COLTS funds or incurring any reimbursable personal expenses, that individual must use good judgment on COLTS' behalf to ensure that good value is received for every expenditure.

COLTS funds and all other assets are for COLTS purposes only and not for personal benefit. This includes the personal use of COLTS assets, such as vehicles, computers, software or e-mail.

### *COLTS Records and Communications*

Accurate and reliable records of many kinds are necessary to meet COLTS' legal and financial obligations and to manage the affairs of COLTS. COLTS' books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and recordkeeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements.

Employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, ridership, financial or similar reports and statements
- False advertising, deceptive marketing practices or other misleading representations

### *Dealing With Outside People and Organizations*

Employees and board members must take care to separate their personal roles from their COLTS positions when communicating on matters not involving COLTS business. Employees and board members must not use COLTS identification, stationery, supplies or equipment for personal or political matters.

When communicating publicly on matters that involve COLTS business, employees and board members must not presume to speak for COLTS on any topic, unless they are certain that the views they express are those of COLTS and it is COLTS' desire that such views be publicly disseminated. Further, Robert Fiume, Executive Director, has been designated the Public Relation person by the Board of Directors. All responses by public or private inquiry shall be addressed by him unless the Board of Directors states otherwise.

When dealing with anyone outside COLTS, including public officials, employees and board members must take care not to compromise the integrity or damage the reputation of COLTS.

### *Prompt Communications*

In all matters relevant to customers, suppliers, government authorities, the public and other organizations, all employees and board members must make every effort to achieve complete, accurate and timely communications -- responding promptly and courteously to all proper requests for information and to all complaints.

### *Privacy and Confidentiality*

When handling financial and personal information about customers or others with whom COLTS has dealings, employees and board members must observe the following principles:

- Collect, use and retain only the personal information necessary for COLTS' business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
- Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
- Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use personal information only for the purposes for which it was originally obtained. Before disclosing any personal information, the consent of the person whose information may be disclosed should be obtained before disclosing any personal information to any previously unauthorized viewer, unless legal process or contractual obligation provides otherwise.

### *Fraudulent and Unethical Acts Reporting Process and Protections*

Each member of management and the board of directors is responsible for creating a supportive atmosphere for all employees, free of discrimination and fear which encourages ethical behavior. Further, employees are responsible for respecting the rights of their coworkers and for conducting themselves in an honest manner.

Any employee, manager, or board member who believes they have knowledge of or a concern about an activity or act that they consider to be illegal, dishonest, fraudulent or in violation of this, or other, policies shall immediately inform their manager, the Executive Director, or the board chairperson.

Sound judgment must be exercised to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing could be subject to discipline.

- The confidentiality of anyone reporting an activity believed to be illegal or dishonest will, insofar as possible, be maintained. However, their identity may have to be disclosed in order to conduct a thorough investigation, to comply with the law or to provide accused individuals their legal rights of defense. COLTS will not retaliate against the person reporting the activity. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, poor work assignments or threats of physical harm. Anyone who believes they are being retaliated against must contact their manager, the executive director or the board chairperson immediately. The right of anyone reporting an activity for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

*Concerns or Questions*

If any employee has any questions regarding any aspect of this policy, the employee should not hesitate to contact their direct supervisor or the Executive Director as soon as possible.

*Discipline*

Any employee who violates any restriction of this policy shall be subject to discipline as appropriate, up to and including termination. COLTS employees are expected to exemplify the highest standard of ethics and shall not engage in behaviors which lessen the public image, perception, and respect of COLTS.

To the extent permitted by State or local law regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary action for violation of such standards by the recipient's officers, employees, agents, board members, or by contractors or subrecipients or their agents.

March 25, 2010

  
Carmen L. Davis  
Chairman, Board of Directors