

# HILTON LOCAL DEVELOPMENT CORPORATION ETHICAL RULES

## I. Table of Contents

- II. Distribution, Posting and Publication
- III. Purposes
- IV. HLDC Code of Ethics
  - a. Interpretation
  - b. Definitions
  - c. General Rule with Respect to Ethical Conduct
  - d. Specific Standards of Conduct
  - e. Avoiding Conflicts Through Disclosure and Withdrawal/Recusal
  - f. Limitations on Use of Withdrawal/Recusal
  - g. Penalties for Violation

## II. Distribution, Posting and Publication

The President of the Hilton Local Development Corporation (HLDC) shall be responsible to see that this document is: (a) distributed to each officer, board member and employee of the HLDC, (b) posted in a location in the offices of the HLDC readily visible to officers, board members, employees, and customers of the HLDC, and (c) is published in the HLDC's annual report.

## III. Purposes

This document is meant to serve two purposes. The first is to publicly express the overarching goal of the HLDC to create a culture of ethical behavior within the HLDC. It is a core value of this HLDC to promote public accountability and reasonable transparency in the conduct of HLDC business. The rules in this document are intended to safeguard the integrity of the HLDC in its public mission by ensuring high standards of personal honesty and integrity. As officials and employees of a public HLDC, HLDC officers, board member and employees must not only avoid any wrongdoing, but they must be alert at all times so that their acts and conduct give the public no cause for suspicion. They must give no appearance of a potential conflict between their official duties and personal activities even though an actual conflict is not present.

The second purpose of this document is to enact an HLDC Code of Ethics which complies with the requirements of the Public Authorities Accountability Act of 2005 ("PAAC"). PAAC requires the HLDC adopt a specific code of ethics which at a minimum, includes the standards established in Section 74 of the Public Officers Law.

#### **IV. HLDC Code of Ethics**

This Article IV shall serve as the code of ethics the HLDC is required to adopt pursuant to Section 2824 of the Public Authorities Law.

##### **a. Interpretation**

The HLDC Code of Ethics contained in this Article IV shall be interpreted, insofar as relevant to the HLDC's structure and operations, in a manner which is consistent with that which the courts and New York State Ethics Commission have given to Section 74 of the Public Officers Law.

For the purposes of this Code of Ethics, where indicated by the context, references to one gender shall also be deemed to include the other, and references to the singular shall also be deemed to include the plural.

##### **b. Definitions**

For the purposes of this Code of Ethics, the following terms shall have the meanings indicated:

"HLDC" means the Hilton Local Development Corporation.

"Confidential Information" includes, but is not limited to: personnel records; financial information not previously and not otherwise required to be disclosed; possible new sites for business operations; production or sales figures; secret processes or production; trade secrets; decision and determinations of a business with respect to its operations which are otherwise not generally known outside the business; and information concerning forthcoming programs or awarding of contracts, grants, loans or in advance of official announcements.

"Interest" means any personal interest, whether direct or indirect. Notwithstanding the foregoing, the term "Interest" shall not include an interest which is so remote, speculative, attenuated or insignificant that it could not reasonably be interpreted to give rise to a Substantial Conflict of interest. An office, board member or employee shall be deemed to have an Interest in any Interest of his/her spouse, father, mother, father or mother-in-law, brother, sister, son, daughter, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or separated spouse.

"Substantial conflict" means the existence of an Interest which is of a magnitude and nature such that it could reasonably be expected to have an improper influence on the objective exercise of the duties of an HLDC officer, board member or employee.

**c. General Rule as to Ethical Conduct**

No officer, board member or employee of the HLDC should have any Interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his/her duties in the public interest.

**d. Specific Standards of Conduct**

i. Outside Employment Impairing Judgment as to HLDC Interests

No officer, board member or employee of the HLDC should accept other employment which will impair his/her independence of judgment in the exercise of his/her official duties.

ii. Accepting Employment Requiring Disclosure of HLDC Confidential Information

No officer, board member or employee of the HLDC should accept employment or engage in any business or professional activity which will require him/her to disclose Confidential Information which he/she has gained by reason of his/her official position or authority.

iii. Disclosing Confidential Information of the HLDC

No officer, board member or employee of the HLDC should disclose Confidential Information acquired by him/her in the course of his/her official duties with the HLDC, nor use such information to further his/her personal Interests.

iv. Use of HLDC Position to Obtain Unwarranted Benefits

No officer, board member or employee of the HLDC should use or attempt to use his/her official position to secure unwarranted privileges or exemptions for him/herself or others.

v. Dealing on Behalf of HLDC with Business Entities in Which Individual has a Financial Interest

No officer, board member or employee of the HLDC should engage in any transaction as representative or agent of the HLDC with any business entity in which he/she has a direct or indirect financial Interest that might reasonably tend to conflict with the proper discharge of his/her official duties.

vi. Giving the Impression of Willingness to be Improperly Influenced at the HLDC

An officer, board member or employee of the HLDC should not by his/her conduct give reasonable basis for the impression that any person can improperly influence him/her or unduly enjoy his/her favor in the performance of his/her official duties with the HLDC, or that he/she is affected by the kinship, rank, position or influence of any party or person.

vii. Personal Investments in Enterprises Which Conflict with the Interests of the HLDC

An officer, board member or employee of the HLDC should abstain from making personal investments in enterprises which he/she has reason to believe may be directly involved in decisions to be made by him/her or which will otherwise create substantial conflict between his/her duty in the public interest and his/her private interest.

viii. Avoidance of Raising Suspicions of Violations of Trust

An officer, board member or employee of the HLDC should endeavor to pursue a course of conduct which will not raise suspicion among the public that he/she is likely to be engaged in acts that are in violation of his/her trust.

ix. Personal Dealings with Entities Receiving HLDC Benefits

No officer, board member or employee of the HLDC employed on a full-time basis nor any firm or association of which such an officer, board member or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer, board member or employee, should sell goods or services to any person, firm, corporation or association which is provided any benefit by the HLDC.

ix. Predisclosure of Financial Interests Involving HLDC

If any officer, board member or employee of the HLDC shall have a financial interest, direct or indirect, having a value of ten thousand dollars (\$10,000) or more in any matter in which the HLDC is involved, he/she should file with the chairman of the board of the HLDC a written statement that he/she has such a financial interest in such activity, which statement shall be read into the minutes of a meeting of the HLDC, and open to public inspection.

## **e. Avoiding Prohibited Conflicts Through Disclosure and Withdrawal/Recusal**

An individual who would otherwise violate this Code of Ethics may sometimes avoid such a violation through disclosure and withdrawal, or disclosure and recusal in accordance with the following provisions.

### **i. Disclosure**

Any time an HLDC officer, board member or employee has an Interest in a matter before the HLDC which could give rise to a violation of the HLDC Code of Ethics, he/she should disclose such Interest in writing to the HLDC board chairman, and such writing shall be presented at the next meeting of the HLDC board of directors and noted in the minutes of such meeting.

### **ii. Withdrawal or Recusal**

#### **A. Withdrawal**

If an officer, board member or employee has a Substantial Conflict of Interest in a matter before the HLDC which involves an entity or person from which he/she directly receives economic benefits, he/she shall completely withdraw from any activities or proceeding of the HLDC concerning such matter by having no involvement in such HLDC activity or proceeding. In particular, the officer, board member or employee should not be in attendance at any meeting of the HLDC at the point the matter in question is presented, discussed or voted upon.

#### **B. Recusal**

If an officer, board member or employee has a Substantial Conflict of Interest in a matter before the HLDC in any other circumstance other than that set out in the preceding paragraph, he/she should recuse him/herself from participating in any activity or proceeding of the HLDC which involves the outside organization or person upon which the conflict of interest is based.

#### **C. Prohibition Against Communications**

In either of the circumstances set forth in "A" or "B" above in which withdrawal or recusal is called for, the officer, board member or employee should not communicate concerning the matter with anyone in the HLDC or with the outside person or entity involved, except to disclose the existence of the conflict of Interest.

**f. Limitations on Disclosure and Withdrawal/Recusal**

While many potential conflicts of interests may be avoided by use of disclosure, withdrawal or recusal, and financial screening, under certain circumstances these mechanisms may not be adequate to eliminate conflicts of interest. If an HLDC officer, board member or employee has such ongoing and significant personal Interests in matters before the HLDC that he/she will be unable to reasonably fulfill his/her fiduciary duty or duty of loyalty to both the HLDC and the entity/person in which or with which he/she has a personal Interest, he/she must resign his/her office or position with the HLDC.

**g. Penalties for Violations**

In addition to any penalty contained in any other provision of law any such officer, board member or employee who shall knowingly and intentionally violate any of the provisions of this HLDC Code of Ethics may be fined, suspended or removed from office or employment in the manner provided by law.