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This Conflict of Interest Policy is adopted upon approval by the Board of Directors in accordance with Section 2824 of the Public Authorities Law and applies to all members, directors, committee members, officers and employees of the Lewis County Development Corporation, “the LCDC”. The purpose is to protect the LCDC’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member, officer or staff of the LCDC.

Various sections of New York State law require state and local public authority board members and employees to examine conflicts of interest issues that may arise at their respective authority. Section 2824(7) of Public Authorities Law stipulates that the Governance Committee of a state and local public authority is to examine ethical and conflict of interest issues. Article 18 of General Municipal Law requires officers and employees of industrial development agencies, urban renewal agencies and community development agencies to disclose conflicts of interest and specifies conflicts of interest that are prohibited. Section 74 of Public Officers Law restricts officers and employees of state public authorities from having a direct or indirect interest or engaging in business or activities that may conflict with their proper discharge of duties. Section 55 of Executive Law requires board members and directors of state authorities to report to the state inspector general any information concerning undisclosed conflicts of interest by another board member or employee of the authority relating to their work for the authority, and section 715(a) of Not for-Profit Corporation Law requires not for profit entities, some of which also are considered public authorities, to adopt a conflict of interest policy.

All Board Members and employees will be provided with this Conflict of Interest Policy upon commencement of employment or appointment and are required to acknowledge that they have read, understand and are in compliance with the terms of the policy. Board members and employees should review on an ongoing basis circumstances that constitute a conflict of interest or the appearance of a conflict of interest, abide by this policy and seek guidance when necessary and appropriate.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to public authorities.

**DEFINITION**

**Conflicts of Interest:** A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Authority. Perceived conflicts of interest are

situations where there is the appearance that a board member and/or employee can personally benefit from actions or decisions made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interests of the authority. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a board member or employee may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

Board members and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party with whom the LCDC is providing benefits, or that they are acting in violation of their public trust. While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a board member or employee has or will have:

- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority determines benefit.
- The ability to use their position, confidential information or the assets of the authority to their own personal advantage.
- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence them, or could reasonably be expected to influence them in the performance of their official duties or was intended as a reward for any action on their part.
- Any other circumstance that may or appear to make it difficult for the board member or employee to exercise independent judgment and properly exercise their official duties.

## **PROCEDURES**

**Duty to Disclose:** All material facts related to the conflicts of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to the Governance Committee as soon as knowledge of the conflict occurs. Such written disclosure shall be made part of the official record of the proceedings of the authority.

**Determining Whether a Conflict of Interest Exists:** The Governance Committee shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.

**Recusal and Abstention:** No board members or employees may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when they know or have reason to know that the action could confer a direct or indirect financial or material benefit on themselves, a relative, or any organization in which they are deemed to have an interest. Board members and employees

must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned. Furthermore, they are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.

**Records of Conflicts of Interest:** The minutes of the authority's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

**Reporting of Violations:** Board members and employees should promptly report any violations of this policy to their supervisor, or to the public authority's compliance officer, general counsel or human resources representative in accordance with the authority's Whistleblower Policy and Procedures.

**Penalties:** Any board member or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.

