

How do you know that you are doing the right thing!
Commissioners & Staff

NJNAHRO Spring Conference
&
Trade Show
April 2024



Louis A. Riccio
&
William F. Snyder



“It is curious that physical
courage should be so common
in the world and moral courage
so rare.”

Mark Twain

How do you determine whether your decisions are based upon good public policy (Doing the right thing)

Areas where decision making can test your
capacity to do the right thing:

- Personnel
 - Salaries & Benefits
 - Hiring
- Travel
- Procurement
- Contract administration
- Admissions & Continued Occupancy
- Policy v. Administration
- Political Interference

Core Values of Public Sector Ethics

- Honesty & Integrity
- Respect for the Law
- Diligence
- Responsiveness
- Transparency
- Impartiality
- Respectfulness
- Fairness
- Economy & Efficiency
- Accountability

Ethics

- *The moral principles by which a person is guided.*
- It is doing the right thing.
- It isn't always clear-cut (black or white)
- The ethical standard is set by an organization's leader and becomes the benchmark for all other employees
 - Lead by example!

Standards of Conduct

- **What are some of the standards we must adhere to as public officials?**

Standards

- HUD's Annual Contributions Contract
- NJ Redevelopment & Housing Law
- NJ Local Government Ethics Law
- NAHRO Code of Professional Conduct
- PHADA Code of Professional Ethics
- Open Public Meeting Act
- Open Public Records Act
- OMB Circulars

CONFLICT OF INTEREST

The central principle underlying public ethics codes is “Conflict of Interest” – more specifically the conflict between a public official’s individual self-interest and the public interest.

The successful functioning of a system of government based upon representative democracy requires that the electorate maintain trust and faith in the integrity of its elected and appointed public officials.

Thus, it is said that public office is a public trust under which the individual interests of the public official must be subordinated to the public good.

Standards of Conduct

- **Why are public officials held to a higher standard than individuals in the private sector?**

Standards of Conduct

Under the American system of government public officials are by law and custom held to a higher standard of conduct than are persons acting in purely private capacities.

Conduct, which may be fully acceptable in a private setting, may not necessarily be so in the public service context. Because public officials act under a public trust, their conduct must be exemplary, not merely lawful.

Public officials are repositories of the public trust and as such have a duty to faithfully and honestly represent the interests of the public. Public officials are supposed to vote in accordance with their conscience for the good of those they serve, completely uninfluenced by any private interest, including their own.

MacDougall v. Weichert, 144 N.J. 380 (1996).

The Decision Making Dilemma

- You will be faced with everyday decisions that reflect your standard of ethics
- These decision will be both personal and professional
- Many of these decisions will test your ethical standards
- Many of the decisions will be difficult and they will not always be clear-cut.
- Some decisions are capable of having life-altering consequences both personally and professionally.
- Be morally courageous & do the right thing

Moral Dilemmas

- It is not as simple as:
 - Do Not lie, Do not Steal, Do not Kill!
- Moral Reasoning is complex and diverse.
 - What if you were living in Nazi Germany and a Jewish family were hiding in your attic. The Gestapo knocks at your door to question you. Would you lie in this situation?

Personal Sacrifice

- Doing the right thing!
- Good Public Policy
- Common Sense decisions
- You may have to sacrifice what may be good for you financially & personally
- The good of the organization must be put before your own personal gain in making decisions

Courage

- It is something that we admire in people
- There are two type of courage:
 - Physical Courage
 - Soldiers
 - Firefighters
 - Type of fear-physical harm or death
 - Moral Courage
 - Courage demonstrated through holding onto one's morals & values
 - We use the term “Courage of my Conviction” to assign courage to less extreme actions to mere “everyday” actions
 - Fear of consequences

Professional Ethics

- We are doomed to make the same mistakes in the future unless we recognize our mistakes of the past.

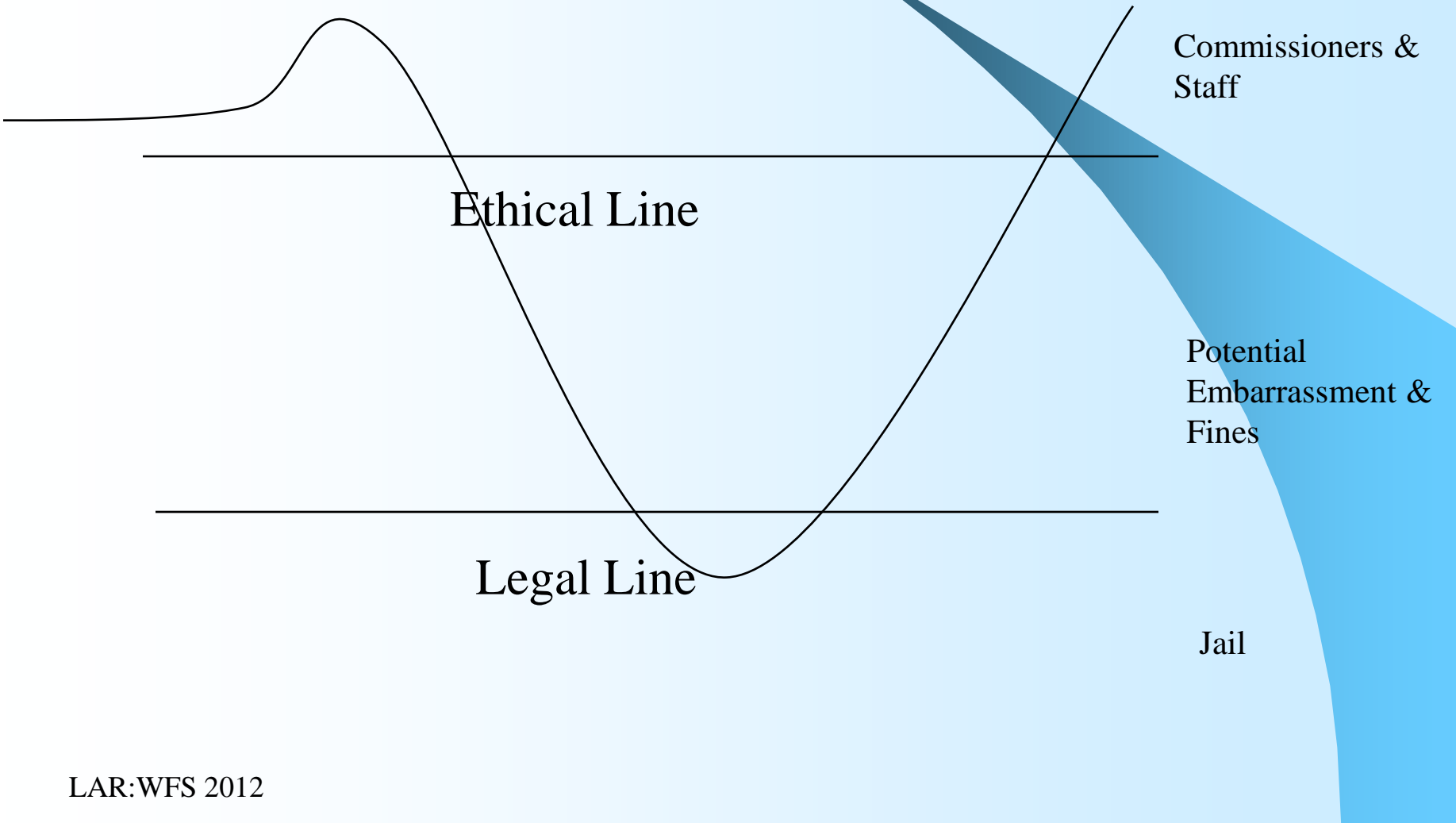
U.S. Department of Housing and Urban Development
Assistant Secretary for Public and Indian Housing

**Report of the
New Jersey
Strike Force**

October 1990

Walking the Line!!!

Don't be foolish-Do the right Thing.



Scandals Hit New Jersey PHAs

- Late 1980s
- 10% of all New Jersey PHA Executive Directors go to prison
- New Jersey PHA slammed for unethical & illegal behavior
- N.J. Housing & Redevelopment Law revised to provide for training of Executive Directors and Commissioners

HUD Reviews Housing Authorities and finds major violations in the following areas:

- Personnel Policy Violations
- Procurement & Purchasing Violations
- Travel Policy Violations
- Poor Contract Administration
- Admission & Occupancy Violations
- Lack of Board of Commissioner Oversight
- Political Interference
- Fiscal Irresponsibility

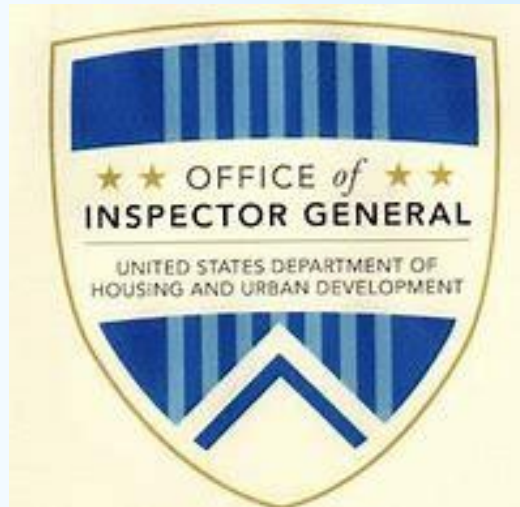
Results of the Scandals

- Strong State of New Jersey Oversight
- Mandatory training of all Commissioners (within 18 months of appointment)
- Mandatory training and credentialing of Executive Directors:
 - 4 year college degree
 - 5 years experience
 - State employment approval

Unethical Activities

- Have These Issues Gone Away?
- Are Similar Situations Occurring Today?

IG for Audit & Investigation



HUD Inspector General's Report 2018

- More than \$19+ million in questioned PHA costs and \$3+ million that could have been put to better use.
- Many of the issues cited cast a negative light on the effectiveness of the programs that are administered by PHAs
- 450 Subpoenas , 124 indictments, 131 convictions pleas/pretrial diversions, 136 arrests, 26 civil actions, 50 Debarments

2018 Theft and Embezzlement

New Jersey – 2 contractors were sentenced to 4 years incarceration and had to pay restitution of \$708,386.00 for mail fraud, bribery and other crimes for overbilling, substitution of products in the Community development program. The FBI conducted the investigation.

Michigan – A former Executive Director was sentenced to 37 months incarceration, 2 years supervised release and ordered to pay restitution in the amount \$336,240.00. The ED entered into Section 8 contracts for rental units in which she held an interest. She used the Housing Authority's 2 credit cards to purchase personal items for herself and family members at Amazon, WalMart and Sam's Club. In addition, she fraudulently wrote petty cash checks which were converted for her personal use.

California – A former Section 8 tenant was sentenced to 24 months incarceration and 3 years supervised release for making false statements to lie about income. Over a 20 year period, the recipient used personal records of a deceased person to obtain Section 8 assistance. The recipient received \$169,974.00 in HUD subsidies.

PY-Theft and Embezzlement

New Jersey - Tracey White-Jenkins, the former Irvington Housing Authority Section 8 director, was sentenced in U.S. District Court, Newark, NJ, to 18 months incarceration and 36 months probation and ordered to pay HUD \$34,458 and Travelers Insurance \$71,918 in restitution for her earlier guilty plea to committing theft of government funds and submitting a false Federal income tax return. White-Jenkins fraudulently obtained, deposited, and personally used \$106,376 in Irvington housing assistance payments.

Texas - Lesvia Barrera, the former executive director of the Eagle Pass Housing Authority, was sentenced in U.S. District Court, Eagle Pass, TX, to 15 months incarceration and 3 years supervised release and ordered to pay HUD \$21,295 in restitution for his earlier conviction of committing a conspiracy to defraud the government. During October 2001 and August 2003, Barrera and previously convicted Juan Sifuentes submitted \$17,800 in false claims to HUD.

PY-Theft and Embezzlement

Wisconsin - Tim Kraus, the former Marshfield Community Development Authority executive director, was sentenced in U.S. District Court, **Madison, WI**, to 3 months incarceration and 12 months supervised release and ordered to pay \$9,921 in restitution for his earlier guilty plea to committing theft from a program receiving Federal funds. From July 2008 to June 2009, Kraus increased his salary without authorization, used Marshfield funds for unauthorized expenditures, and obtained and used a Marshfield credit card for personal purchases.

Wyoming - Edward Washburn, the former Cheyenne River Housing Authority (Cheyenne River) director of modernization, was sentenced in U.S. District Court, **Pierre, SD**, to 1 year and 1 day incarceration and 3 years supervised release, ordered to pay Cheyenne River \$7,500 in restitution, and fined \$10,800 for his earlier guilty plea to corruptly accepting a thing of value and being influenced in a transaction involving Federal program funds. From September 2005 to October 2008, Washburn accepted more than \$7,500 in kickbacks from a Cheyenne River contractor in exchange for housing authority contracts.

PY-Theft & Embezzlement

- Nebraska-Executive Director sentenced to 3 years in prison. The ED was guilty of inflating employees payroll checks, forging their signature and cashing the checks.
- Pennsylvania-Commissioner was indicted for making false statements to HUD regarding properties that he owned and was receiving Section 8 assistance over an 11 year period.

PY-Theft and Embezzlement

- Kansas-Executive Director sentenced to 5 months in prison & restitution of \$102,701 for using PHA credit card to purchase personal items.
- North Carolina-Employee was indicted for adding fictitious landlords into the Section 8 program causing 48 fraudulent housing assistance checks to be written totaling \$70,000.

Typical Issues

Public Housing Program

- Improper use of PH funds to support nonprofit activities
- Improper use of assets to collateralize lines of credit
- No annual tenant recertification and unit inspections
- Payment for services covered by the cooperation agreement
- Procurement/contract Violations
- Fraud, waste & abuse

Other Issues

- Non-profit organizations (Identity of Interest)
- Workplace conduct
- Political Involvement
- Outside Employment
- Nepotism
- HUD suspension and Debarment
- Drug Free Workplace requirements

- **What do you need in order to assure that your Authority doesn't run into these types of problems?**

Policies & Related Materials¹

- Personnel
- Admissions & Continued Occupancy
- Procurement
- Travel
- Pet
- Parking
- Smoking
- Use of Community / Public Space
- Transfer
- Investment
- Indemnification
- Grievance

Other Related Materials

Bylaws

Annual Audit

Operating & Capital Budgets

Five Year & Annual Plan

Section 8 Administrative Plan

ACC

Latest PHAS Score

Latest SEMAP Score

Latest Annual Report

Minutes of Past Meetings

¹. Every Commissioner should have these.

Personnel Policy

- Every Housing Authority must have a written Personnel policy that provides the guidelines for employment.
- The policy should be comparable to local public practice. What is comparability?
- Commissioners control many of the issues cited in the policy (i.e., compensation, hours, benefits, leave (sick & vacation), terminal leave payments, etc.
- The policy must be in keeping with all federal & state labor laws. You need to know if your Authority is under the control of Civil Services or have you opted out?
- Revisions to the policy should be reviewed for legality and potential challenge by employees. For Example: Can you increase the employee's work day by 1/2 hour without providing any compensation? Can you take away benefits? All changes should be based upon sound business planning.
- Always remember that unilateral changes to the Personnel Policy can result in morale issues and productivity problems.
- Check to see if you have a union and a Collective Bargaining Agreement.
- New Jersey Equal Pay Law (Diane B. Allen Equal Pay Act)

Admissions & Occupancy Policy

- HUD requires that every Authority with a public housing program have an ACOP.
- The ACOP provides the rules for administering the low-rent program.
- It contains: application procedures, grounds for denying applicants, preferences, waiting list rules, occupancy standards, screening criteria (background checks), One-Strike rules, tenant responsibilities, PHA responsibilities, rent recertification rules, transfer rules, etc
- The Board of Commissioners has some flexibility as to what goes into the ACOP. The policy must be in compliance with federal public housing occupancy rules. The board can consider: number of times a person can turn down a unit before being placed at the end of the waiting list, local preferences (residents, veterans, working families, etc.).
- Most changes are recommended by staff and approved by resolution of the Board of Commissioners.

Procurement Policy

- The Annual Contributions Contract mandates that the Housing Authority have a written Procurement Policy. The policy provides the rules for procuring goods and services.
- The policy must mesh the federal procurement rules with the New Jersey Local Public Contracts Law in order to meet both standards. The state bidding limit is less than the federal limit. The federal rules require that you receive quotes for insurance and professional services, the state rules exempt these from public bidding.
- You need to have staff that is thoroughly versed in the procurement rules to ensure that you are in compliance with the law.
- The Board of Commissioners has some flexibility in the procurement policy in establishing thresholds for receiving prices.

Other Important Policies

- **Travel Policy** - provides the rules for traveling on Housing Authority business. It contains rules for reimbursement, per diem amounts, etc.
- **Pet Policy** - provides the rules for residents that have pets. You are required to allow pets in public housing. You should have a policy that dictates the terms for ownership (i.e., licenses, size/weight limits, limits on vicious breeds, pet deposit, limit on the number of pets, procedures for waste disposal, correction of damages, etc.).
- **Parking Policy** - provides the rules for resident and guest parking at your buildings. It will contain the requirement for a valid license, registration and insurance card, procedures for transferring to another assigned space, handicapped parking, payment for damages to the parking lot and other vehicles. How do you assign parking spaces (assigned/unassigned)? Do your seniors complain about parking?
- **Community Room Usage Policy** - provides rules for use of community space by residents, resident association and other groups. It will list charges, who is eligible to use the facilities, room capacity, clean-up procedures, etc. Do you allow political groups to use your community room for political purposes? Do you allow bingo without a license? Do you allow alcohol use at parties and function? Most policies address these issues.

Other Important Policies

- **By-laws** - every Authority has a set of written by-laws that provide important information on how your Authority is structured. It provides the requirements on the meeting times/dates, agenda, election of officers, responsibilities of officers, terms of office, who may call a meeting, etc. Do your by-laws allow the chairperson to remain in office indefinitely? Are you in compliance with your by-laws?
- **Section 8 Administrative Plan** - Every Housing Authority that operates a Housing Choice Voucher Program has an Administrative Plan. The plan contains the rules for operating the Housing Authority's rent subsidy program. It is similar to the ACOP

Annual Contributions Contract

- Contract between HUD and Local Agency
- Mission of HUD & the Housing Authority
- Declaration of Trust
- Depository Agreement
- Operating Budget
- Insurance
- Conflict of Interest

Annual Contributions Agreement

- It is the written contract between the Housing Authority and the U.S. Department of Housing & Urban Development that stipulates the condition that must be met in order to continue to receive funding from HUD
- Part A-Provides the requirements
- Part B-Provides additional terms & conditions

**COMPARISON OF HUD'S ANNUAL CONTRIBUTION CONTRACT
&
NJ LOCAL GOVERNMENT ETHICS LAW**

HUD'S ACC

Section 19 – Conflict of Interest

A1. Neither the HA nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under this ACC

In which any of the following class of people has an interest, direct or indirect, during his or her tenure or for one year thereafter:

a. Any present or former member or officer of the Governing body of the HA, or any member of the officer's immediate family. *(There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, the HA or a business entity.)*

b. Any employee of the HA who formulates policy or who influences decisions with respect to the project(s), or any member of the employee's immediate family, or the employee's partner.

c. Any public official, member of the local Governing body, or State or local legislator, or any member of such individuals' immediate family, who exercises functions or responsibilities with respect to the project(s) or the HA.

A2. Any member of these classes of persons must disclose The member's interest or prospective interest to the HA & HUD.

LAR:WFS 2012

LOCAL GOVERNMENT ETHICS LAW

Section 40A:9-22.1

1. No independent local authority shall, for one year next subsequent to the termination of office of a member of that authority

- a. Award any no-bid contract to the former member.
- b. Allow the former member to represent, appear for or negotiate on behalf of any other party before the authority
- c. Employ the former member for pay, except pursuant to open competitive examination in accordance with title 11A.

2. No local government officer, or employee shall use or attempt to use his official position to secure unwarranted privileges or advantages for himself or others.

3. No local government officer or employee shall act in an official capacity in any manner where the officer or employee, a member of his immediate family, or a business organization in which he has an interest, has a direct or indirect financial or personal involvement that might reasonably be expected to impair his objectivity or independence of judgment.

4. No local government officer or employee shall undertake any paid or unpaid employment or service which might reasonably be expected to [prejudice the independence of that officer or employee's judgment in the exercise of his official duties.

A3. *The requirements of this subsection may be waived by HUD for goods cause, if permitted under State and local law*

A4. Nothing in this section shall prohibit a tenant of the HA from serving on the governing body of the HA

B1. *The HA may not hire an employee in connection with a project under ACC if the prospective employee is an immediate family member of any person belonging to one of the following:*

a. Any present or former member or officer of the governing body of the HA. There shall be excepted from this prohibition any former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the HA

b. Any employee of the HA who formulates policy or who influences decisions with respect to the project(s)

c. Any public official, member of the local Governing Body, or State or local legislator, who exercises functions or responsibilities with respect to the project(s) or the HA

B2. The prohibition shall remain in effect throughout the instrumentality below the state level except for school class member's tenure and for one year thereafter.

B3. The class member shall disclose to the HA and HUD the member's familial relationship to the prospective employee.

B4. *The requirements of this subsection may be waived by the HA Board of Commissioners for good cause, provided that such waiver is permitted by State and local law.*

Immediate Family – spouse, mother, father, brother sister or child (niece, nephew, grandchild, grandparent, etc.)

5. No local government officer or employee, member of the immediate family of an officer or employee, or business organization in which the officer or employee has an interest shall act in an official capacity in any matter where the officer or employee, a member of his immediate family, or business organization in which he has an interest shall solicit or accept any benefit based upon an understanding that the receipt of that benefit shall influence the discharge of any official duties.

6. No local government officer or employee shall use or allow to be used his public office or employment, or any information not generally available to the members of the public, received or acquired in the course of and by reason of the office or employment, for the purpose of securing financial gain for himself, any member of his immediate family, or any business organization with which he is associates.

7. No local government officer or employee or business organization in which he has an interest shall represent any person or party other than the local government in connection with any cause, proceeding, application or other matter pending before any agency in the local government in which the officer or employee service.

8. No local government officer or employee (i.e., almost any officer or employee of a public agency or instrumentality below the state level except for school boards), and no member of the immediate family of the officer or employee, shall have an interest (i.e., ownership or control exceeding 10%) in a business which is in substantial conflict with the proper discharge of the duties of the officer or employee.

HOUSING ASSISTANCE PAYMENTS CONTRACT

1.17 CONFLICT OF INTEREST

A. Interest of Members, Officers or Employees of PHA, Members of Local Governing Body or Other Public Officials

No present or former member or officer of the PHA (except tenant-commissioners) no employee of the PHA who formulates or influences decisions with respect to the Section 8 Program, and no public official or member of the governing body or State or local legislator who exercises functions or responsibilities with respect to the Section 8 Program, shall have any direct or indirect interest, during his or her tenure or for one year thereafter in the Contract or in any proceeds or benefits arising from the Contract. This provision may be waived by HUD for good cause.

B. Disclosure

The Owner warrants that the Owner has disclosed to the PHA:

1. The identity of the Owner, developer, builder, architect, management agent (and other participants) and the names of officers and principal members, shareholders, investors, and other parties having a direct or indirect interest in the Contract or in any proceeds or benefits arising from the Contract.
2. The previous participation of each of these parties in HUD programs on the prescribed HUD form, and
3. Any possible conflict of interest by any of these parties that would be a violation of the Contract.

The Owner must fully and promptly update such disclosures upon appointment or becoming a Section 8 landlord.

Cooperation Agreement

Section 6

- Agreement between the housing authority and the municipality:
 - Allows for a PILOT Agreement.
 - States that for each new unit developed an existing substandard, unsafe or unsanitary unit be eliminated.
 - Municipality must provide the residents of the PHA public services and facilities of the same character and to the same extent as are furnished without cost or charge to other dwellings and inhabitants in the municipality.
 - Vacate such streets and roads as may be necessary for the development, and transfer to PHA.
 - Municipality can grant deviations from building codes.
 - Municipality can make such changes in any zoning necessary.

Cooperation Agreement

- Municipality agrees to:
 - Accept the dedication of all interior streets within the project area, together with all storm and sanitary sewer mains.
 - Accept dedication of land for all streets bounding the project.
 - Provide or cause to be provided water mains, and storm and sanitary sewer mains, leading to project.
- PILOT may be reduced for expenses incurred by the PHA for any of these items not provided by the Municipality.
- Conflict of Interest provisions prevail.

Declaration of Trust

Section 8

- Agreement between the housing authority and the US Department of Housing & Urban Development:
 - Filed with the county Clerk
 - Confirms that the HA will not convey or encumber the project except as expressly authorized in the Annual Contributions Contract.

N.J. Local Redevelopment & Housing Law (PL 1992)

NJSA 40A:12A-1 through 40A:12A-49

- **REDEVELOPMENT AUTHORITIES**

- 40A:12A-8 Effectuation of Redevelopment Plan
- 40A:12A-9 Agreements with Redevelopers
- 40A:12A-11 Creation of Redevelopment Agency
- 40A:12A-12 Executive Director of Redevelopment Agency
- 40A:12A-22 Powers of Redevelopment & Housing Authorities
- 40A:12A-26 Financial Reports
- 40A:12A-27 Oversight by Governing body

HOUSING AUTHORITIES

- ***40A:12A-17 Creation of Housing Authority – Board Composition (1 officer or employee)***
- ***40A:12A-18 Executive Director of Housing Authority – Need DCA Approval***
- 40A:12A-21 Housing Authority may act as Redevelopment Entity
- 40A:12A-24 Dissolution of PHA or Redevelopment Agency
- 40A:12A-29 Issuance of Bonds, notes
- ***40A:12A-46 Completion of course of study – 18 Months to Complete Courses***

Title 40A:9:22.1 et seq.

LOCAL GOVERNMENT ETHICS LAW

- 40A:9-22.3 Definitions (1)
- 40A:9-22.4 Local Finance Board Jurisdiction (2)
- 40A:9-22.5 Compliance (a & b) (3)
- 40A:9-22-6 **Financial Disclosure Form** (5)
- 40A:9-22.8 Advisory Opinions (7)
- 40A:9-22.10 & 11 Violations, Penalties & Discipline (8)
- 40A:9-22.13 County Ethics Board (9)
- 40A:9-22.19 Municipal Ethics Board (12)
- 40A:9-22.25 Written Materials-5 years (16)

Financial Disclosure Form

- Must be filed by a Commissioner, Executive Director & high level employees
- *Must be filed each year by April 30th*
- Must list:
 - **sources** of income exceeding \$2,000
 - Fees & honoraria exceeding \$250
 - Gifts, reimbursements or prepaid expenses exceeding \$400
 - Name and address of all business organizations in which you or a member of your family hold an interest
 - Address of owned real property
- Form is submitted to the municipal Clerk

Last Name:

First Name:

Middle:

(for DLGS use only)
Municode:

State of New Jersey
Department of Community Affairs

Local Government Ethics Law Financial Disclosure Statement

Division of Local Government Services
Local Finance Board

*This Financial Disclosure Statement is required annually of all local government officers
in accordance with N.J.S.A. 40A:9-22.1 et seq., the Local Government Ethics Law.*

Year of Service:

(Please Type or Print)

Section I. Personal Information- Local Government Officer

Local Government Served

Municipality: County: Other:

First Name: Middle: Last Name:

*Spouse's First Name: Middle: Last Name:

Home Address:
(optional)

Telephone Numbers (optional)

Home:
Business:

* Spouse includes a Civil Union partner.

| | Agency | Position Held | Term Expires (if applicable) |
|----|----------------------|----------------------|------------------------------|
| 1. | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 2. | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 3. | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Section II. Financial Information

Provide the following information for yourself and *members of your immediate family* for the prior calendar year. If none, please indicate **NONE** in the space provided. If additional space is needed, please use Extension Forms.

- A. List the name and address of each source of income, earned and unearned, which you received in excess of \$2,000. If a publicly traded security is the source of income, the security need not be reported unless you or *a member of your immediate family* has an interest in the business organization.

| | Name | Address | Self | Spouse | Dependent Name |
|----|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 2. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 3. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 4. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 5. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

- B. List the name and address of each source of fees and honorariums having an aggregate amount exceeding \$250 received from any single source for personal appearances, speeches, or writing.

| | Name | Address | Self | Spouse | Dependent Name |
|----|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 2. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 3. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 4. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 5. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Last Name:

First Name:

Middle:

(for DLGS use only)
Municode:

State of New Jersey
Department of Community Affairs

Local Government Ethics Law Financial Disclosure Statement

Division of Local Government Services
Local Finance Board

Section II. Financial Information- continued

C. List the name and address of each source of gifts, reimbursements or prepaid expenses having an aggregate value exceeding \$400 from any single source, excluding relatives.

| | Name | Address | Self | Spouse | Dependent Name |
|----|----------------------|----------------------|--------------------------|--------------------------|----------------------|
| 1. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 2. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 3. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 4. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 5. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |

D. List the name and address of all *business organizations* in which an interest was held.

| | Name | Address | Self | Spouse | Dependent Name |
|----|----------------------|----------------------|--------------------------|--------------------------|----------------------|
| 1. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 2. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 3. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 4. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 5. | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |

E. List the address and a brief description of all real property in the State of New Jersey in which an interest was held.

| | Municipality | County | Block | Lot | Qual. | Address (if applicable) | % of Ownership | Self | Spouse | Dependent Name |
|----|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|--------------------------|--------------------------|----------------------|
| 1. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 2. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 3. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 4. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |
| 5. | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> |

F. Please add any other information you believe is necessary to complete this form.

Section III. Certification

I hereby certify that this Financial Disclosure Statement contains no willful misstatement of fact or omission of material fact and, together with any and all statements previously submitted in writing to the clerk of my local government or the Local Finance Board, constitutes a full disclosure with respect to all matters required by N.J.S.A. 40A:9-22.1 et seq., to the best of my knowledge. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to fines and possible disciplinary action.

Date

Signature of Local Government Officer
(Original Signature)

PAY-TO-PLAY

The pay-to-play disclosure law requires that prior to entering a contract with a governmental entity of more than \$17,500 that is not publicly advertised, a for-profit business entity must disclose to that governmental entity certain contributions made during the past year.

Prohibits entering contract >\$17,500 if certain contributions were made; no exclusion for FAIR & OPEN contract.
Prohibits certain contributions during term of contract.

The Hatch Act

Title 5. U.S. Code (Chapter 15)

1939 Congress approved the Hatch Act which limited political activities of federal employees and certain state and local employees.

In December 28, 2012 President Obama signed the Hatch Act Modernization Act of 2012.

The Modernization Act does three things:

1. Amends the law to permit state and local employees who do not receive **100%** of their salaries by way of federal funding to run for any elective office. (Previously only a majority of one's compensation had to be from federal sources.)
2. Changes the law permitting the Merit Systems Protection Board to impose a range of penalties for violations, from a written reprimand to termination. (Previously termination was automatic.)
3. Places D.C. employees under provisions that apply to other state and local employees.

Office of Special Counsel is responsible for investigating reports of Hatch Act violations by local employees.

Who does the Hatch Act cover?

- The *Hatch Act* covers all civilian employees in the executive branch of the federal government, which includes employees of the U. S. Postal Service. Federal employees fall within two categories under the Hatch Act: further restricted and less restricted. Employees of the following federal agencies (as well as others) are considered “further restricted” under the Hatch Act: Federal Bureau of Investigation, Secret Service, Central Intelligence Agency, National Security Agency, Defense Intelligence Agency, Office of Criminal Investigation of the Internal Revenue Service, Office of Investigative Programs of the United States Customs Service, Office of Law Enforcement of the Bureau of Alcohol, Tobacco, and Firearms, and the Criminal Division and National Security Division of the Department of Justice. The Act restricts the political activity on individuals principally employed by state or local agencies who work in connection with programs financed in whole or in part by federal loans or grants.
- Applies to individuals who have:
 - Principal employment is state or local agency (principal employment is deemed to be that job which accounts for the most work time and earned income)

Examples of typical programs that receive federal financial assistance:
public health, public welfare, **housing**, urban renewal and
redevelopment, employment security, labor and industry training,
public works, civil defense, law enforcement

Permitted and Prohibited Activities by state and local employees!

| ● Permitted Activities | ● Prohibited Activities |
|--|---|
| <ul style="list-style-type: none">–May run for public office in nonpartisan elections–May campaign for and hold office in political clubs and organizations–May actively campaign for candidates for public office in partisan and nonpartisan elections–May contribute money to political organizations and attend political fund raising events | <ul style="list-style-type: none">–May not be candidates for public office in a partisan election–May not use official authority or influence to interfere with or affect the results of an election or nomination–May not directly or indirectly coerce contributions from subordinates in support of a political party or candidate |
| Only executive level employees whose principal employment is in connection | with an activity financed in whole or in part by federal loans or grants. |

Transparency (“Sunshine”)

- Allowing the public access to your information-effective and transparent flow of information is a basic right of a democracy. People can be manipulated where information is controlled.
- Freedom of Information Laws & Policies
 - Access to government records and information are prerequisites to transparency
 - Openness and transparency in the decision making process can assist in developing citizen trust
 - Disclosure policies concerning public officials income & assets, campaign contributions assist the transparency process

Open Public Meetings Act

“The Sunshine Law”

Enacted in 1975

- Allowing the public and press to view government in the open in order to ensure that the public is able to witness what decisions are being made on their behalf.
- The law provides specific rules which must be followed by all public agencies in conducting their meetings.
- Annual Meeting Notice is printed once per year and lists the date, time and location of the monthly meetings (filed with the municipal clerk and posted on the official bulletin board or public area.)

Open Public Meetings Act

- “Meeting” means and includes any gathering whether corporeal or by means of communication equipment which is attended by, or open to, all of the members of a public body, held with the intent, on the part of the members of the body present, to discuss or act as a unit upon the specific public business of that body.
1. **When is a gathering of commissioners a meeting?**
When at least four are together and they discuss business. However, if they are together at a social gathering and do not discuss business then there is no violation of the Open Public meetings Act.
 2. **When the Board goes on a strategic planning retreat are the subject to the Open Public meetings Act?**
Yes, because they will be discussing business at the retreat.

Open Public Meetings Act

- Whom does it apply to? Any public body on the state, county, municipal level of government that have authority to vote on public matters or to spend public funds.
- Whom does it not apply to? The law exempts the judiciary, grand & petit juries, parole boards, State Commission of Investigations, the Apportionment Committee and any political party committee. Also informal or purely advisory bodies and meetings of public officials with subordinates.
- Minutes? The law requires a public body to keep reasonable comprehensive minutes of all its meetings showing the time, place, members present, subject considered, actions taken and the vote of each member. They must be made promptly available to the public. The minutes must contain the opening statement indicating that the notice provisions of the law have been adhered to.

Open Public Meetings Act

SPECIAL MEETINGS

“Adequate Notice” means written advance notice of at least 48 hours, giving the time, date, location and to the extent known, the agenda of any regular, special or rescheduled meeting, which notice shall accurately state whether formal action may or may not be taken and which shall be (1) prominently posted in at least one public place reserved for such or similar announcements, (2) mailed, telephoned, telegraphed, or hand delivered to at least two newspapers which newspapers shall be designated by the public body to receive such notices because they have the greatest likelihood of informing the public within the area of jurisdiction of the public body of such meetings, one of which shall be the official newspaper, (3) filed with the clerk of the municipality when the public body’s geographic boundaries are coextensive with that of a single municipality, with the clerk of the county when the public body’s geographic boundaries are coextensive with that of a single county.

Most authorities adopt an annual meeting schedule in January and file it with the newspapers and municipal or county clerk. Any deviation from that schedule must follow the above 48-hour notice rule.

Emergency Meetings

- A public body may convene an emergency meeting when an urgent and important matter arises and the delay of the meeting could result in substantial harm to the public interest.
- If an emergency arises and you cannot provide adequate notice, you must comply with the following procedures:
 - An affirmative vote of $\frac{3}{4}$ of the members present in order to conduct the meeting
 - Notice must be provided as soon as possible, following the call of the meeting
 - The minutes must reflect the following:
 - The nature of the emergency
 - The nature of the substantial harm to the public interest
 - That the meeting will be limited to only the matters concerning the emergency
 - That the need for such meeting could not have been foreseen
 - An explanation as to why adequate notice could not have been provided

Closed Sessions

- **“Closed Sessions”** allowed when the Board discusses:
 - Any matter which, by express provision of Federal law or State statute or rule of court shall be rendered confidential.
 - Any matter in which release of information would impair receipt of federal funds.
 - Any material the disclosure of which constitutes an unwarranted invasion of individual privacy such as any records, data, reports, recommendations or other personal material of any function operated by a public body pertaining to any specific individual admitted to or served by such program, including, but not limited to personal; or family circumstances and any material pertaining to admissions

Closed Sessions

- Any collective bargaining agreement, or the terms and conditions, including the negotiation of the terms thereof with employees or representatives of employees of the public body.
- Any matter involving the purchase, lease or acquisition of real property with public funds.
- Any tactics and techniques utilized in protecting the safety and property of the public, provided that their disclosure would impair such protection.
- Any pending or anticipated litigation or contract negotiation.

Any personnel matters. Employment, appointment, termination, terms of employment, evaluation of performance, promotion or disciplining of any employee. Unless adversely affected parties request in writing that such matters be discussed at a public meeting.

Other “Sunshine Law” Issues

- **Can a public body correct a violation of the Sunshine Law:** Yes. A board may convene another public meeting in conformity with the law and reconsider the public business which was previously acted upon.
- **What can a citizen do if a public body violates the Open Public Meetings Act?** A citizen may contact the local or county prosecutor or the State Attorney General about possible violations of the law. They may seek to enforce the penalty section of the law which provides for:
 - \$100.00 fine for first offense
 - \$100.00 to \$500.00 for any subsequent offenses

Commissioner's Do's & Don'ts

- DO's

- Do pass resolutions and policies only after through discussion and understanding of the purpose, usage, intent and implications.
- Do monitor policies and procedures from time to time to ensure that the result is what was intended.
- Do establish monitoring controls to detect and prevent conflicts of interest, fraud and abuse.
- Do ensure that an audit is conducted annually and that the report is reviewed by the Commissioners. If you have an area of concern, you may ask the auditor to expand their review to include that area.
- Do conduct meetings at least quarterly with Resident Council leaders to solicit comments and advice.
- Do ensure that the PHA operates legally and with integrity. Establish high ethical standards for PHA staff and act as positive role models.
- Do learn what the common risks are and be alert for problems such as embezzlement, improper procurement and other irregularities.

Commissioner's Do's & Don'ts

- DON'Ts

- Don't sign blank checks or checks that are not backed up with bills, invoices or vouchers.
- Don't have any bank accounts which are controlled by one (1) signature.
- Don't, if at all possible, let the persons who are authorized to sign checks reconcile bank statements.
- Don't use PHA supplies, equipment, machinery, construction or rehabilitation supplies or staff for personal use.
- Don't use PHA tax exempt status or PHA credit cards for personal use.
- Don't use PHA contractors for personal purposes while they are engaged in PHA work.
- Don't accept gifts, dinners or other gratuities from contractors or those bidding for PHA work.
- Don't become involved in any business relationships between yourself and the PHA where you or your company are dealing with PHA matters.
- Don't approve contracts with provisions that are in violation of the ACC or HUD regulations.

How can I have a positive impact on my organization's ethics?

- Lead by example
- Place the interests of your organization over your personal interests in making your decisions
- Develop an Ethics Policy that reflects the organization's standards for ethical conduct.
- Avoid any appearance of a Conflict of Interest.
- Look for symptoms that can lead to ethical breaches (gambling, drugs/alcohol abuse, high-end lifestyles, people with excessive debt).
- Perform pre-employment background checks
- Adopt a reasonable internal control structure to protect the Authority assets

What can I do to protect myself against potential problems?

- Make sure that your Authority has adequate insurance coverage (Public Officials Liability, Fidelity Bond, etc.).
- Make sure that the Board of Commissioners has approved an indemnification resolution specifying the procedures to be followed in the event of a civil or criminal investigation/prosecution. Who will represent you and who will pay for the cost of your defense?
- Make sure that you have adopted a “Tort claim policy.”
- Adopt a “Right to Know” or “Freedom of Information” Policy specifying the procedures for distribution of documents and information to the public.

Questions & Answers

Thank-you for Participating.

