2017 Ethics and Integrity Vendor Online Training
Overview

This online training focuses on the PTC Code of Conduct and includes the following topics:
1. Introduction; PTC Commitment to Ethical Standards and Practices; Ethics Laws and Rules;
2. Conflict of Interest;
3. Gift Ban;
4. Mixing Employer and Personal Interests;
5. Confidential Information;
6. Non-Profit Charities/Vendor Involvement;
7. Reporting Violations/Getting Ethics Advice;
8. PTC Strategic Plan
Introduction

- As set forth in Policy Letter 3.10, Code of Conduct, it is the policy of the PTC that efficiency, integrity, appearance and high moral and ethical standards and practices shall prevail in the accomplishment of the work of the PTC.

- PTC Representatives (Commissioners and Employees) you are working with are governed by Policy Letter 3.10, so PTC vendors need to comply with Policy Letter 3.10 as well (in addition to the Contractor Integrity Provisions that are part of your organization’s contract with the PTC).
PTC Commitment to Ethical Standards and Practices

- The PTC publicizes its commitment to transparency through the Transparency section of the PTC website, where you can find links to the Advisory Committee Report and the Business Conduct Guidelines as well as Policy Letter 3.10 (Code of Conduct) and the Strategic Plan.
- The PTC Compliance Department provides training to PTC vendors on the PTC Business Conduct Guidelines.
Ethics Laws and Rules

In Pennsylvania, and at the PTC, the primary ethics laws and rules governing integrity and ethical standards are:

- the State Adverse Interest Act;
- Public Official and Employee Ethics Act (Ethics Act);
- Procurement Code Chapter 23 (Ethics in Public Contracting);
- Act 44 of 2007;
- Policy Letter 3.10 (Code of Conduct); and
- Contractor Integrity Provisions (part of your PTC contract).
Conflict of Interest

- PTC Representatives are instructed not to engage in conduct that constitutes an actual or perceived conflict of interest.

- “Conflict of Interest” is the use by a PTC Representative of the authority of his/her office or employment for the private pecuniary benefit of: (1) himself/herself, (2) a member of his/her immediate family, or (3) a business with which he/she or a member of his/her immediate family is associated.
Conflict of Interest

- PTC Representatives are instructed to avoid conflicts of interest (both actual and perceived), i.e., do not use PTC time and resources for personal affairs.
- PTC Representatives must avoid any financial or business dealings that would affect their objectivity, impartiality or independence of judgment.
Conflict of Interest – Requirement to Disclose Potential Conflicts

- It is important for both “primes” and “subs” to disclose potential conflicts of interest, especially when responding to a PTC Request for Proposals or Statement of Interest. Many of these occasions involve a subconsultant, and the prime firm might not be aware of the subconsultant’s involvement in a previous aspect of a project.
- If the prime firm discloses the prior involvement of the “sub” and indicates that the “sub” will not be assigned any future project work related to its prior project work, then the concerns are covered.
- Where the prime firm fails to address the prior project involvement of a “sub”, then the PTC needs to reduce the rating of the prime firm. There have been several instances where the PTC reduced a firm’s rating because the firm failed to disclose a potential conflict of interest.
Conflict of Interest – recommendations involving an adverse interest

- The Adverse Interest Act provides in part that no PTC advisor or PTC consultant can be a party to a PTC contract after they have recommended the making of that contract (or a course of action of which the making of that contract is an express or implied part).
- Example – If the PTC contracts with a firm to develop recommendations to achieve a certain result, then that firm is ineligible to enter into a contract with the PTC to implement some or all of those recommendations.
Gift Ban

Section 4.5 of the Code of Conduct prohibits PTC Representatives from accepting or soliciting for personal use any gifts or other things of monetary value from a “person” who:

• (1) is seeking to obtain business from the PTC, or has a contract with the PTC,
• (2) conducts operations or activities regulated by the PTC,
• (3) is an adverse party of the PTC (a party to a contract with the PTC),
• (4) has interests substantially affected by the performance or nonperformance of PTC official duties.
Gift Ban

- The Gift Ban applies to any person, facility, vendor, consultant or business, including its employees.
- A “person” under the Gift Ban can be an individual, partnership, corporation, non-profit corporation, political subdivision, or other entity.
Gift Ban

- Remember: do not offer gifts or anything of value to PTC Representatives if your organization has a contract with the PTC or is seeking to do business with the PTC!
Mixing Employer and Personal Interests:
Lessons from previous cases and things to avoid

A public agency had a legitimate need for a television subscription service for its operations. However, while an agency employee was negotiating for the provision of that service, he was offered and accepted discounts on a new television subscription service for his home, discounts that were not available to the general public. Remember the message of the previous slide – don’t offer gifts to PTC Representatives!

Certain Ohio Department of Transportation maintenance employees, in return for steering contracting opportunities to preferred vendors, received personal gifts from those vendors. The gifts included fishing and hunting trips in Texas and Alaska, hotel accommodations in Las Vegas, membership at a private golf club, free or discounted garage door installations, and electrical and plumbing work. Both the ODOT employees and vendors faced felony charges that carried potential maximum terms of up to 14 – 17 years in prison.
Mixing Employer and Personal Interests: what can happen . . .

Recently, we have seen:

A member of the U. S. House of Representatives from Pennsylvania sentenced to up to 10 years in prison for money laundering and bribery.

The CEO of a World Trade Center contractor convicted by a federal jury of fraud resulting from falsely claiming that minority and women-owned companies performed work that was actually performed by the CEO’s company in violation of Port Authority regulations.

A former PA Game Commission official agreed to a $75,000 fine imposed by the Ethics Commission for violating conflict of interest standards by overseeing lease deals for state game lands while he was, at the same time, negotiating leases with some of the very same companies for private landowners.

The former Alabama House Speaker sentenced to four years in prison for ethics violations including improperly soliciting lobbyists and using the power of his office to help personal business clients.

Executives from an airline were fired for their roles in maintaining an unprofitable flight to a destination located near the vacation home of an executive with the Port Authority of NY & NJ in return for better access to the Newark Airport.
Confidential Information

The PTC Code of Conduct defines “Confidential Information" as “Information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.” §3.3
Confidential Information

PTC Representatives in PTC Code of Conduct §§ 7.1 and 7.2 are reminded to protect PTC Confidential Information:

§7.1 No PTC Representative shall use or disclose Confidential Information obtained in the performance of his or her duties for personal benefit or for the benefit of any person or entity other than the Commission.

§7.2 No PTC Representative shall divulge Confidential Information to any unauthorized person or release any information in advance of the time prescribed for its release, for the financial or pecuniary gain of himself/herself or others.
Confidential Information

You should also be governed by the Integrity Provisions that are part of your contract (or agreement or purchase order) with the PTC.
Non-Profit Charities

- PTC Representatives have been instructed not to use the promise of business with the PTC to solicit funds for any charitable, educational, religious, health, fraternal, civic or other non-profit entity (Section 6.1 of Code of Conduct).
Non-Profit Charities/Vendor Involvement

- PTC Representatives have been instructed to avoid accepting or soliciting any donations made directly or indirectly from a PTC vendor to a charitable event involving PTC employees.
- Also, PTC Representatives have been instructed not to accept any prizes awarded at a charitable event that have been donated by a PTC vendor. Such action would violate the PTC’s gift ban.
Reporting Violations

- PTC vendors are directed to report known violations of the Code of Conduct to the PTC Chief Compliance Officer (or the Chief Counsel if the violation involves the Compliance Department).
Getting Ethics Advice

- Please contact the PTC Compliance and Legal Departments if you have any questions.
- Also, the State Ethics Commission will provide to you a response about how the State Ethics Act applies to a certain factual situation. Go to [www.ethics.pa.gov](http://www.ethics.pa.gov), click on “Advices”, and follow the directions for sending a request to the State Ethics Commission.
The PTC Strategic Plan, especially the PTC Mission, Vision, and Values speak about trust and integrity. Specifically, the Integrity section of the Values states, “We conduct ourselves transparently, responsibly, ethically and honestly to earn the public’s trust every day.”
Conclusion

- Devote PTC time and resources to PTC interests and projects!
- Ethics and integrity are part of doing your work the right way.
- By following the policies and common sense rules set forth in the Code of Conduct, you can help promote public confidence in the integrity and impartiality of the PTC.
- Please click on the link below to complete the survey so that we can record your results.

https://www.surveymonkey.com/r/3HTLHGP