

**Request for Action  
by  
Board of Commissioners**

**Approval of Ethics Policy**

**1. Summary of Request**

This Request for Action (“RFA”) is for approval of a revised Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) Ethics Policy (the “Ethics Policy”), which aims to improve clarity and readability and to eliminate redundancy between the Ethics Policy and the State of Rhode Island Code of Ethics (together with its implement regulations, the “State Code of Ethics”).

**2. Discussion**

The Quasi-Public Corporations Accountability and Transparency Act (the “Accountability Act”), which became effective on January 1, 2015, enables, creates, and encourages high standards for transparent, effective, and ethical operations by the boards that oversee public resources on behalf of Rhode Island quasi-public corporations. See R.I. Gen. Laws 42- 155. As a covered quasi-public corporation, RIHousing is subject to the Accountability Act. Section 42-155-4(a)(3) of the Accountability Act requires the Board of Commissioners to adopt a code of ethics applicable to each officer, director, and employee of the corporation that includes the standards established in the State Code of Ethics, R.I. Gen. Laws 36-14. RIHousing’s existing ethics policy fulfilled the requirements of the Accountability Act but had not been revised in more than ten years. Though comprehensive, the document was unwieldy and difficult to absorb. As a result, staff determined that it would be in the best interests of the corporation to condense the policy to make it more useful and user-friendly.

The Ethics Policy focuses on the most relevant provisions of the State Code of Ethics and describes RIHousing’s particular requirements for professional responsibility and handling conflicts of interest. The Ethics Policy is organized around the following overarching principles applicable to RIHousing personnel. RIHousing employees and commissioners must:

- Carefully avoid any activity or association that conflicts (or appears to conflict) with the public interest; and
- Use, manage, and conserve RIHousing resources in a way that respects the public’s trust and benefits the State; and
- Perform job responsibilities with honesty, integrity, and courtesy; and
- Diligently represent RIHousing and RIHousing’s interests when carrying out official job functions.

The Ethics Policy directs that ethics questions and requests for approvals be directed to the General Counsel, who serves as the Ethics Officer for the agency. RIHousing employees and commissioners are advised to seek additional interpretation and information from the Rhode Island Ethics Commission, as appropriate.

**3. Recommendation**

Staff recommends that the Board of Commissioners approve the attached resolution approving the Ethics Policy in the form attached hereto as Attachment A.

**4. Attachments**

- A. Ethics Policy
- B. Resolution



## Attachment A

### Ethics Policy

#### I. Introduction and General Principles:

As a public corporation, RIHousing has a core mission to serve the people of Rhode Island. All employees and commissioners are duty-bound as a matter of both law and professionalism to conduct themselves in a way that promotes the trust and confidence of the public. This Ethics Policy summarizes the most relevant provisions of the State of Rhode Island Code of Ethics, R.I. Gen. Laws § 36-14 (together with its implementing regulations, the “State Code of Ethics”), which governs state and municipal officials, both elected and appointed, and public employees, and describes RIHousing’s particular requirements for professional responsibility and handling conflicts of interest. *You are advised to read the State Code of Ethics, which is available along with other guidance on the [website](#) of the Rhode Island Ethics Commission.* In some cases, this Policy may impose greater obligations than the State Code of Ethics, in which case this Policy controls.

This Policy aims to express the following overarching principles applicable to RIHousing personnel. You must:

- Carefully avoid any activity or association that conflicts (or appears to conflict) with the public interest; and
- Use, manage, and conserve RIHousing resources in a way that respects the public’s trust and benefits the State; and
- Perform job responsibilities with honesty, integrity, and courtesy; and
- Diligently represent RIHousing and RIHousing’s interests when carrying out official job functions.

The provisions of the State Code of Ethics are largely concerned with conflicts of interest and related variations. As a result, this Policy will begin with a general explanation of conflicts and then move through some of the most common associated topics. Questions and requests for approvals should be directed to the General Counsel, who serves as the Ethics Officer. You may also seek additional interpretation and information from the Rhode Island Ethics Commission.

#### II. Conflicts of Interest:

Under the State Code of Ethics, you may not have any interest, financial or otherwise, or engage in any business, employment, transaction, professional activity, or incur any obligation that is in substantial conflict with your duties. See R.I. Gen. Laws § 36-14-5(a). This rule comes into play if you have reason to believe that you (or anyone in your family, or any personal business connection) will receive a monetary gain or suffer a monetary loss from your official activity. See R.I. Gen. Laws § 36-14-7(a).



Also, under the State Code of Ethics you may not accept other employment that could impair your independence of judgment when performing your duties for RIHousing or cause you to disclose confidential information acquired in the course of your official duties. See R.I. Gen. Laws § 36-14-5(b). Some examples of impermissible conflicts would be: if an employee were to use their official position to gain an advantage in an outside business transaction for themselves or others or use or attempt to use their official position to secure advantages for themselves or others.

RIHousing also considers it a conflict of interest for you to act in any way that *creates the appearance or impression* that you are violating the public trust in the conduct of your job responsibilities.

### **III. Nepotism and Favoritism:**

You may not take part in RIHousing actions or decisions that affect your family members, business associates, outside employers, or any business you represent. Importantly, you may not hire, evaluate, supervise, or participate in employment decisions affecting anyone you are related to by blood, marriage, or adoption. For more information about the people who qualify as “family members,” please see R.I. Gen. Laws § 36-14-2(1). Business associates are anyone you have joined with to achieve a common financial objective. See R.I. Gen. Laws §§ 36-14-2(3), -5(a), -5(d), -5(f), -7(a), -7(b).

### **IV. Gifts:**

You are prohibited from accepting anything of value based (e.g., gift, loan, political contribution, reward, or promise of employment) on the understanding that the gift will influence your official action or judgment. This prohibition extends to anything of value given to your family or your business associates. See R.I. Gen. Laws § 36-14-5(g), -(i).

Additionally, you may not accept cash, forgiveness of debt, any gift valued at more than \$25, or multiple gifts in one calendar year with an aggregate value more than \$75 from any person or business with a direct financial interest in a decision that you participate in making. See 520-R.I.C.R.-00-00-1.4.2. Examples of such persons or businesses are borrowers, customers, appraisers, developers, partners, participating lenders, attorneys, contractors, property managers, and suppliers of goods or services to RIHousing.

You may retain gifts of nominal value (e.g., items with the name or logo of an event/sponsor, pens, calendars, hats, tee shirts, and the like). Gifts of flowers, plants, and food (e.g., candy, fruit, cookies, popcorn) may be retained so long as these items are made generally available to RIHousing staff rather than being kept by an individual recipient. If you receive a gift that exceeds or appears to exceed \$25 in value (e.g., gift basket) from a person or business with any financial interest related to your official job responsibilities, you may return the gift to the giver or immediately donate the gift to a charitable organization. You must send the giver a thank you note indicating the use of the item and provide a copy to RIHousing’s Ethics Officer.



Upon approval by the Ethics Officer, you may in limited circumstances retain travel accommodation or reimbursements for travel expenditures not paid by RIHousing. You must seek and receive approval by the Ethics Officer with respect to offers of honoraria, fees, rewards, and any other outside compensation for such activities.

Generally, if you attend a business lunch or other meal with persons doing business with RIHousing, you must pay for your own meal. RIHousing will reimburse employees for their share of meals held in the course of ordinary business. You may accept meals, beverages or entertainment that are provided at a work session for a working group (e.g., at a multi-family loan closing); or where a business-related event is attended by several people other than representatives of RIHousing and the sponsoring organization (e.g., conferences, groundbreakings, open houses, and fundraisers). Although you may accept entertainment when it is incidental to a business-related event, you may not accept tickets to sporting events, theatrical performances, or other activities/events where admission has more than a nominal fair market value.

**V. Honoraria:**

If you are asked to speak at a conference, meeting, or other forum, you may not accept any honorarium or payment if you use RIHousing time or resources to prepare for or attend the presentation, or if you have any decision-making authority over the event's sponsor. See 520-R.I.C.R.-00-00-1.4.3.

**VI. Use of RIHousing Resources:**

RIHousing property, funds, vehicles, equipment, and office supplies are to be used for the exclusive benefit of RIHousing in accordance with prescribed procedures, and not for any personal purpose or gain. If extraordinary circumstances require that RIHousing property be used for mixed or personal purposes, the employee must make prompt reimbursement to RIHousing. See R.I. Gen. Laws § 36-14-5(d).

RIHousing interprets this to prohibit personnel in supervisory positions from directing subordinates to perform any task of a private or personal nature, such as typing personal correspondence or running personal errands.

**VII. Confidential Information:**

You may not use or disclose any confidential information acquired in the course of your RIHousing duties. See R.I. Gen. Laws § 36-14-5(b)-(d). RIHousing explicitly prohibits the use or disclosure of any confidential information, *whether or not for monetary gain*, if such information was acquired by reason of your official responsibilities. RIHousing defines "confidential" as "not generally available to members of the public," and interprets this requirement to apply to a wide range of material within RIHousing's business (for example, without limitation, account information, loan information, financial information, personnel data, business know-how, security plans, business or legal strategic information, investment plans, consumer/customer data).



### **VIII. Outside Employment, Volunteerism, and Personal Business Activities:**

You may accept employment outside of your RIHousing position; however, you may not accept any job or appointment that would impair your independence of judgment or cause you to disclose RIHousing’s confidential information. See R.I. Gen. Laws § 36-14-5(b).

RIHousing has adopted additional rules with respect to outside employment. All outside employment must be approved in advance by the Ethics Officer. In order to be approved, outside employment must be limited in scope to avoid the potential for any dealings with entities or individuals that could have business dealings with RIHousing. If you wish to serve as a board member, director, or trustee for a non-profit organization that could have dealings with RIHousing, you must first obtain the written approval of the Ethics Officer. You may not accept any job, appointment, or volunteer position that would require work hours that conflict with your regular RIHousing work schedule.

If you conduct personal business activities (that is, activities outside of your RIHousing duties) that involve federal, state, or city housing subsidies or public housing financing, you must disclose such activities to RIHousing’s Ethics Officer in writing. The term “personal business activities,” in this context, includes obtaining public housing subsidies or financing, whether as owner, investor, or agent of any entity that utilizes public housing subsidies or financing. The term “personal business activities” does not include utilizing a subsidized housing program with respect to your own personal residence; nor does the term “personal business activities” include carrying out routine household transactions, such as personal banking, or purchase, sale, or financing of a personal residence, with a financial institution, even if that institution does business with RIHousing, provided that you do not receive any preferential or extraordinary treatment, whether directly or indirectly.

You may be requested to redisclose the above-described outside employment, volunteerism, and personal business activities from time to time during your tenure.

### **IX. Appearances Before RIHousing:**

You may not represent yourself or anyone else before RIHousing. This means that you may not participate in the presentation of evidence or arguments for the purpose of influencing the judgment of RIHousing in your own favor or in favor of another person. These prohibitions continue for one year after you leave your position. See R.I. Gen. Laws § 36-14-5(e). The Ethics Commission may grant a hardship exemption if you make a special application. See R.I. Gen. Laws § 36-14-11.

RIHousing does not interpret these restrictions on self-representation to apply to personnel matters or other any matter in which you may appear before the Commissioners or other decision-making body in your capacity as an employee.



## **X. Contracts with State and Local Government:**

While you are employed by RIHousing, you may not enter into any contract with state or local government unless the contract is awarded through an open and public process, including prior public notice and subsequent public disclosure. You may not be hired to provide professional services under a public contract unless there is prior public notice and subsequent disclosure. These prohibitions also apply to your family, business associates and any business in which you, your family or business associates have a 10% or greater equity interest or a \$5,000 or greater cash value interest. See R.I. Gen. Laws § 36-14-5(h).

## **XI. Transactions with Subordinates:**

You may not engage in a financial transaction, including private employment, consulting, loans, giving/receiving monetary contributions (including political or charitable contributions) with an employee, contractor, or consultant under your supervision. Exceptions include transactions in the normal course of a regular commercial business, where the subordinate initiates the transaction, or charitable events and fundraising activities that are sponsored by a state or municipal agency. See 520-RICR-00-00-1.4.4.

RIHousing takes this a step further and requires that if your official functions involve the activities of a someone that does business with RIHousing, including their employees and agents, you may not enter into any personal business relationship with them without first disclosing the nature of the personal business to the Ethics Officer and providing a written certification that the personal business will be conducted on commercially reasonable terms, without any special discount, consideration or pricing. Typically, your official functions will be considered to “involve” a person or vendor if they interact with your department or business area for commercial purposes.

You may not solicit or request political contributions, whether directly or through a third party, from anyone for whom you exercise supervisory responsibilities in the course of your job. Subordinates may, of their own initiative, exercise their First Amendment right to make political contributions. See R.I. Gen. Laws § 36-14-5(l).

## **XII. Notification of Licenses:**

If you are licensed by a specific agency of State government to engage in a particular business, profession, trade or occupation, RIHousing requires that you notify the Ethics Officer. Notice must be provided at the time your employment or appointment with RIHousing starts, or at the time you receive your license, whichever occurs first. You may be requested to redisclose this information from time to time during your tenure.

Licenses requiring notification of the Ethics Officer include, but are not limited to, those for accountants, architects, attorneys, electricians, insurance brokers, land surveyors, mortgage bankers and brokers, plumbers, professional engineers, professional planners, real estate agents and brokers.



**XIII. Violations:**

If you violate the State Code of Ethics, you may be subject to sanctions that include fines and imprisonment. See R.I. Gen. Laws §§ 36-14-13, -19. In addition, violations of the State Code of Ethics or this Policy may be cause for discipline at work, up to and including termination or suspension of employment, as is appropriate under the circumstances. Serious violations may be referred to law enforcement officials.

Given the serious consequences of violating the State Code of Ethics or this Policy, you are advised to adhere strictly to the requirements and to seek advice from the Ethics Officer or the Rhode Island Ethics as circumstances arise.

*Revision Date: October \_\_\_\_\_, 2021*

**Attachment B**

**Resolution of the Board of Commissioners  
of  
Rhode Island Housing and Mortgage Finance Corporation**

**WHEREAS:** the Quasi-Public Corporations Accountability and Transparency Accountability Act, Title 42, Chapter 155 of the Rhode Island General Laws (the “Accountability Act”), became effective on January 1, 2015; and

**WHEREAS:** the Accountability Act seeks to hold all quasi-public corporations to the highest standards of transparency and accountability; and

**WHEREAS:** Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is a “quasi-public corporation” as defined by the Accountability Act; and

**WHEREAS:** Section 42-155-4(a)(3) of the Accountability Act requires that Boards of Commissioners of all quasi-public corporations adopt a code of ethics applicable to each officer, director, and employee of the corporation that includes the standards established in the State Code of Ethics; and

**WHEREAS:** Staff desires to revise RIHousing’s current code of ethics and adopts the Ethics Policy in the form provided as Attachment A.

**NOW THEREFORE, IT IS HEREBY:**

**RESOLVED:** that the Ethics Policy is hereby adopted in substantially the form presented at this meeting; and

**RESOLVED:** that the Executive Director, Deputy Director, and General Counsel, each acting singly, be and hereby are authorized and empowered to file a copy of the Ethics Policy with any office, department, or agency of the State, cause the Ethics Policy to be published, and/or take any and all other actions necessary or desirable to carry out the foregoing resolutions; and

**RESOLVED:** that the Executive Director, Deputy Director, and General Counsel, each acting singly, be and hereby are authorized and empowered to make updates and administrative changes to the Ethics Policy from time to time as deemed in the best interests of RIHousing.