

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

CODE OF ETHICS

I. PURPOSE

This Code is established and adopted in accordance with the New Jersey Conflicts of Interest Law (N.J.S.A. 52:13D-12 et seq.) to specify the general standards of conduct necessary for the proper and efficient operation of the Higher Education Student Assistance Authority (HESAA).

II. APPLICABILITY

This Code shall apply, effective upon approval of the Executive Commission on Ethical Standards, to all State officers or employees and all special State officers or employees related to the HESAA. All State officers or employees and special State officers or employees must comply as well with the New Jersey Conflicts of Interest Law, regulations, and guidelines issued by the Executive Commission on Ethical Standards. N.J.A.C.19:61-1.1 et seq.

III. DEFINITIONS

"Code" means this Code of Ethics.

"Ethics Liaison Officer" means the Director of the Office of Government Relations in the HESAA or any other employee of HESAA designated by the Executive Director to serve in that capacity.

"Interest" means the ownership or control of more than 10% of the profits or assets of a business other than a professional service corporation; ownership or control of more than 1% of the profits or stock in any casino licensed business or business that is an applicant for a casino license; or being a shareholder, associate or professional employee of a professional service corporation regardless of the extent or amount of such individual's shareholder interest in such a corporation.

"Interested person" means (1) any person who may reasonably be anticipated to be subject to the regulatory authority of the HESAA; or (2) any supplier.

"Member of the immediate family" means the employee's spouse, child, parent or sibling residing in the same household.

"HESAA" means the Higher Education Student Assistance Authority and all of its units.

"Person" means any natural person, association or corporation.

"Special State officer or employee" means any part-time compensated or uncompensated individual (including, but not limited to, any member of the HESAA board).

"State officer or employee" means any full-time compensated individual.

"Supplier" means any private sector person who is providing or may reasonably be expected to provide goods and services to the HESAA, including such persons as consultants, vendors and lessors.

IV. BASIC POLICY AND STRUCTURE OF THE CODE

A. General Rule

The HESAA, as an entity of New Jersey State government, exists to serve the public interest and to further access to post-secondary education, whether by loans, grants, scholarships or other means. All State officers or employees and special State officers or employees must therefore conduct themselves, in the course of their duties, in a manner which fosters the respect, trust and confidence of the public. Each must avoid any activity or association which is, or appears to be, a violation of the public interest or trust.

B. Conflicting Activities

This Code of Ethics embraces three types of activities that could potentially undermine public trust and confidence in the HESAA:

1. Activities that so clearly constitute a conflict of interest or a violation of public trust by the State officer or employee or the special State officers or employees that they are expressly prohibited; for example, the solicitation or acceptance of a bribe, gift or valuable favor from any person doing business with the HESAA.
2. Activities that may raise questions about the integrity of a State officer or employee or special State officer or employee; for example, receiving an offer of a bribe, gift or valuable favor. Although the State officer or employee or special State officer or employee may have done no wrong, he/she is under an obligation to report such activities to the HESAA's Ethics Liaison Officer.
3. Activities that may result in the appearance of a conflict of interest, such as receiving a complimentary invitation to an event from any person doing business with the HESAA or engaging in any business or employment that may conflict with the duties of the State officer or employee or special State officer or employee with the HESAA. Employees are required to notify the HESAA Ethics Liaison Officer to obtain permission before engaging in such activities.

In any instance in which a State officer or employee or special State officer or employee is not certain what the standard of conduct should be, he/she should seek the advice of the HESAA's Ethics Liaison Officer.

V. ACCEPTANCE OF GIFTS OR OTHER ITEMS OF VALUE

A. General Rule

It is the policy of the HESAA that no State officer or employee or special State officer or employee shall accept or solicit, whether directly or indirectly, any gift, favor, service, employment or other thing of value from any firm, organization, association or individual doing business with the HESAA or from any person who could reasonably be expected to do business with the HESAA.

B. Gifts and Other Items

Any gift or other thing of value offered by or received from any person, firm or corporation with which a State officer or employee or special State officer or employee has contact in his/her official capacity must be reported and remitted immediately, along with a written report, to the HESAA's Ethics Liaison Officer. The report shall clearly describe the gift, identify the donor and set forth the circumstances under which the gift was offered or received. An immediate determination shall be made by the Ethics Liaison Officer as to whether or not the gift, favor, employment, offer of employment or other thing of value can be accepted.

It is not necessary to notify the HESAA's Ethics Liaison Officer of receipt of nominally valued, mass distributed advertising matter such as pens, pencils or calendars. However, advertising matter should not be displayed or used in such a manner as to denote any kind of endorsement.

All gifts, unless approved by the Ethics Liaison Officer, shall be returned to their source with written reaffirmation that such are not appropriate. A record shall be made by the Ethics Liaison Officer of the gift and its disposition.

C. Services, Special Treatment and Favors

The acceptance by a State officer or employee or special State officer or employee or through members of their immediate family or through any partner or associate of any gifts, preferential loans, services at preferential rates, discounts, gratuities, sexual favors and/or anything of monetary value from a person doing business with the HESAA, or the granting of special treatment or favors to such persons for the purpose of obtaining personal gain is prohibited.

VI. CONFLICT OF INTEREST

A. General Rule

No State officer or employee or special State officer or employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business, transaction or professional activity, which is in conflict with or could appear to be in conflict with the proper discharge of his/her duties.

No State officer or employee or special State officer or employee shall knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public that he/she may be engaged in conduct that may be in violation of his/her trust as a public employee.

B. Contracting with the State

1. No State officer or employee shall knowingly himself, or by his partners or through any corporation which he controls or in which he owns or controls more than 1% of the stock, or by any other person for his use or benefit or on his account, undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25 or more, made, entered into, awarded or granted by any State agency, except as provided in subparagraph 2 of this section. No special State officer or employee having any duties or responsibilities in connection with the purchase or acquisition of property or services by the State agency where he is employed or an officer shall knowingly himself, by his partners or through any corporation which he controls or in which he owns or controls more than 1% of the stock, or by any other person for his use or benefit or on his account, undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25 or more, made, entered into, awarded or granted by that State agency, except as provided in subparagraph 2 of this section. The restriction contained in this subparagraph shall apply to the contracts of interstate agencies to the extent consistent with law only if the contract, agreement, sale or purchase is undertaken or executed by a New Jersey member to that agency or by his partners or a corporation in which he owns or controls more than 1% of the stock.
2. The New Jersey Conflicts of Interest Law exempts only three categories of contracts from the general prohibition. Before entering into a contract falling within any of these categories, approval must be obtained from the Executive Commission on Ethical Standards through the HESAA's Ethics Liaison Officer. The three categories of contracts are:
 - a. those purchases, contracts, agreements or sales that are made after public notice and competitive bidding;
 - b. those that may be awarded without public advertising and competitive bidding pursuant to Section 5 of Chapter 48 of the Laws of 1944 (N.J.S.A. 52:34-10), Section 10 of Chapter 71A of the Laws of 1999 (N.J.S.A.

18A:71A-10), or such other similar provisions contained in public bidding laws or regulations applicable to other State agencies; and

- c. any contract of insurance entered into by the Director of the Division of Purchase and Property, Department of Treasury, pursuant to Section 10 of Article 6 of Chapter 112 of the Laws of 1944 (N.J.S.A. 52:27B-62).
3. No State officer or employee or special State officer or employee shall act as an officer or agent of a State agency for the transaction of any business with himself/herself or with a corporation, company, association or firm in which he/she has an interest in the pecuniary profits. No State officer or employee or special State officer or employee of the HESAA shall act in his/her official capacity in any matter wherein he/she has a direct or indirect personal financial interest that might be expected to impair his/her objectivity or independence of judgment.
4. No State officer or employee shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, whether by himself or by or through any partnership, firm or corporation in which he has an interest or by any partner, officer or employee of any such partnership, firm or corporation any person or party other than the State in any negotiations for the acquisition or sale by the State or a State agency of any interest in real or tangible or intangible personal property, or in any proceedings relative to such acquisition or sale before a condemnation commission or court; provided, however, nothing contained in this section shall be deemed to prohibit any person from representing himself in negotiations or proceedings concerning his own interest in real property.

C. Appearance Before the State and the HESAA

1. No special State officer or employee, nor any partnership, firm or corporation in which he has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the particular office, bureau, board, council, commission, authority, agency, fund or system in which such special State officer or employee holds office or employment.
2. No State officer or employee, nor any partnership, firm or corporation in which he has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before any State agency.
3. Nothing contained in this section shall be deemed to prohibit any State officer or employee or special State officer or employee from representing, appearing

for or negotiating on behalf of, or agreeing to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any proceeding pending before any court of record of this State, any proceeding in regard to a claim for worker's compensation, any proceeding in connection with the determination or review of transfer inheritance or estate taxes, any proceeding in connection with the filing of corporate or other documents in the office of the Secretary of State, any proceeding before the Division on Civil Rights, the New Jersey State Board of Mediation or the New Jersey Public Employment Relations Commission, the Unsatisfied Claim and Judgment Fund Board solely for the purpose of filing a notice of intention pursuant to P.L. 1952, c. 174, §5 (C. 39:6-65), or any successor thereof or any proceeding on behalf of a county, municipality or school district, or any authority, agency or commission of any thereof except where the State is an adverse party in the proceeding and provided the State officer or employee or special State officer or employee is not holding any office or employment in the State agency in which any such proceeding is pending.

VII. MISUSE OF OFFICIAL POSITION OR PROPERTY

A. General Rule

1. No State officer or employee or special State officer or employee shall use or attempt to use his/her official position with the HESAA to secure unwarranted privileges, advantages or benefits for oneself, one's family or for others.
2. No State officer or employee or special State officer or employee shall use or disclose for another's use, whether or not for direct or indirect monetary gain, any information not generally available to members of the public which he/she acquires by reason of his/her official duties.

B. Use of State Property

Each employee or State officer shall use the property and funds under his/her official control in strict accordance with prescribed procedures in meeting public program goals. State and HESAA property, equipment, funds or other assets shall be used only for HESAA business, and not for personal use.

VIII. OUTSIDE EMPLOYMENT AND ACTIVITIES

A. General Rule

No State officer or employee or special State officer or employee shall accept employment or render services for any private or public interest, whether compensated or not, when that employment or service is incompatible with or in conflict with the discharge of his/her official duties; or when that employment may

tend to impair his/her objectivity or independence of judgment in the performance of such duties.

In addition, the hours of outside employment shall not conflict with the work hours required for the discharge of official duties.

B. Approval for All Outside Employment of State Officers or Employees

All outside employment and/or business interest by a State officer or employee, whether compensated or not, must be disclosed in writing on the HESAA's Outside Employment/License Notification form, and is subject to approval by the Ethics Liaison Officer prior to being undertaken. All outside employment disclosures will be forwarded to the Executive Commission on Ethical Standards for review. Service for any other State, county, regional or municipal government body, agency, commission, department or board, whether compensated or not, is also considered employment.

In order to be approved, outside employment must be limited in scope to avoid the potential for having any dealings with entities or individuals or subsidiaries or affiliates who have business dealings with the HESAA, or who are likely to have business dealings with the HESAA. In this regard, business dealings include direct dealings as a contractor or vendor or indirect dealings as a subcontractor, architect, engineer, accountant, attorney or any other role.

C. Notification of Relative's Employment

Each employee or State officer is required to notify the HESAA's Ethics Liaison Officer regarding any member of their immediate family employed by a contractor, consultant, vendor or any other company or firm doing business with the HESAA. Such notification shall be provided in writing on the HESAA's Outside Employment/License Notification form.

D. Notification of License

No State officer or employee or special State officer or employee should engage in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State government, without promptly filing notice of such activity with the Executive Commission on Ethical Standards.

Such licenses shall include, but are not limited to, those for accountants, architects, electricians, insurance brokers, counselors, land surveyors, physicians, plumbers, professional engineers, professional planners, real estate agents and brokers, veterinarians, etc.

E. Questions About Employment

Questions concerning possible conflicts of both outside employment as well as outside uncompensated activities should be addressed to the HESAA's Ethics

Liaison Officer. Any advisory opinions rendered by the Ethics Liaison Officer will be forwarded to the Executive Commission on Ethical Standards for approval, disapproval or modification.

IX. POST-EMPLOYMENT RESTRICTIONS

A. General Rule

No State officer or employee or special State officer or employee, subsequent to the termination of his/her office or employment in any State agency, shall represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, or agree to represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, whether by himself or through any partnership, firm or corporation in which he has an interest or through any partner, officer or employee thereof, any person or party other than the State in connection with any cause, proceeding, application or other matter with respect to which such State officer or employee or special State officer or employee shall have made any investigation, rendered any ruling, given any opinion, or been otherwise substantially and directly involved at any time during the course of his/her office or employment.

Questions concerning possible post-employment conflicts should be addressed to the HESAA's Ethics Liaison Officer prior to termination of employment.

X. POLITICAL ACTIVITY PROHIBITIONS

No State officer or employee shall directly or indirectly use or seek to use his/her authority or the influence of his/her position to control or modify the political action of another person. No employee or State officer, during the hours of duty, shall engage in political activity; nor shall he/she at any other time participate in political activities which would impair his/her usefulness in the position in which he/she is employed. Each employee or State officer retains the right to vote as he/she chooses and to express his/her opinions on political subjects and candidates.

XI. VIOLATIONS AND SANCTIONS

Any State officer or employee or special State officer or employee who violates this Code of Ethics may be subject to sanctions in accordance with the Conflicts of Interest Law (N.J.S.A. 52:13D-12 et seq.). In addition to the above, HESAA employees or State officers who violate this Code of Ethics are also subject to disciplinary action by the HESAA. Given the severe consequences of violating this Code, each employee or State officer or special State officer or employee is advised to strictly adhere to the Code and seek advice from the HESAA Ethics Liaison Officer if he/she has any questions concerning his/her obligations under the Code.

