

**MINUTES OF SPECIAL MEETING OF MONDAY, MAY 17, 2010**  
(AMENDED & ADOPTED)

Meeting was called to order by Chairperson Kathleen Wojciechowski at 5:10 p.m.

Present: Kathleen Wojciechowski, Chairperson  
Lou Kalogeras, Vice-Chairperson  
Angela DeVito, Secretary/Treasurer  
Paul Thompson, Asst. Secretary/Asst. Treasurer  
  
Anna Maria Villa, CEO/Executive Director  
Richard Ehlers, Counsel

Absent: Sean McCabe, Member  
Hank Boerner, Member

Counsel Dick Ehlers informed the Board that in a letter dated May 17, 2010, Hank Boerner submitted his resignation as a member of the Board of Directors of the Riverhead Industrial Development Agency.

Upon motion of the Governance Committee and the Audit Committee the following resolution was moved and seconded.

**#32-10 – ADOPTS, RATIFIES AND CONFIRMS BOARD POLICIES**

The following resolution was offered by Angela DeVito and seconded by Lou Kalogeras.

WHEREAS, in accordance with the Public Authorities Law, it is the recommendation of the Audit Committee of the Riverhead Industrial Development Agency that the following policies be adopted, ratified and confirmed, and

WHEREAS, in accordance with the Public Authorities Law, it is the recommendation of the Governance Committee of the Riverhead Industrial Development Agency that the following policies be adopted, ratified and confirmed, and

WHEREAS, after due discussion an amendment was offered to the policy concerning IDA Board member attendance as follows: “Repeated failure of a Board member to attend regularly scheduled meetings will be reported to the Town Board as the appointing authority.”

NOW, THEREFORE, BE IT RESOLVED, that the attached policies be and hereby are adopted, ratified and confirmed with the addition of the above stated amendment.

**(See attached policies)**

Executive Director Villa discussed her concerns about the Agency's current Bond Counsel, Randy Mayer. She suggested the Board allow several IDA-specialized Bond Counsels to make an informal presentation and introduce themselves and their services. Lou Kalogeras motioned to go ahead in consideration of a process to undertake ~~new~~ bond counsel. Angela DeVito seconded. All in favor. Motion carried.

After a short discussion about EBS Building, Ms. Villa and Mr. Ehlers requested a public hearing be set up for EBS Building on 6/21/10. Paul Thompson made a motion to go ahead with the date and Lou Kalogeras seconded. All were in favor. Motion carried.

There being no further business the meeting was adjourned at approximately 6:10 p.m.

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
ANNUAL INVESTMENT REPORT  
(YEAR ENDING DECEMBER 31, 2009)**

**Adopted by Resolution May 10, 2010**

**Investments**

As of December 31, 2009, all investments of the Riverhead Industrial Development Agency are held as collateralized cash bank deposits in accordance with the standards set forth in the General Municipal Law, as required by the Public Authorities Law.

**Investment Guidelines**

In accordance with Section 2925(6) of the Public Authorities Law, attached hereto as Exhibit A is the Investment Guidelines Policy of the Riverhead Industrial Development Agency.

**[Independent Audit**

Attached hereto as Exhibit B are the results of the annual independent audit conducted by \_\_\_\_\_ on \_\_\_\_\_, 2010.]

By: \_\_\_\_\_  
Name:  
Title: Treasurer

Exhibit A

*Investment Guidelines Policy*

Exhibit B

*Independent Audit*

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
INVESTMENT GUIDELINES POLICY  
Adopted by Resolution May 10, 2010**

I. Introduction

- A. This Investment Guidelines Policy (the “**Investment Policy**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Section 2925 of the Public Authorities Law and shall be reviewed and approved annually by the Agency.
- B. This Investment Policy sets forth the Agency’s operative investment policy as well as the instructions to officers and staff regarding the investing, monitoring and reporting of the Funds (as defined below) of the Agency.
- C. This Investment Policy shall apply to all funds of the Agency, including monies and other financial resources available for investment and deposit by the Agency on its own behalf or on behalf of any other entity or individual, but excluding the proceeds of any borrowings by the Agency as financial assistance in connect with a “project” as defined in Article 18-A of the General Municipal Law (the “**Funds**”).
- D. Under the direction and supervision of the Board, the Treasurer of the Agency shall be responsible for the implementation of this Investment Policy. The Treasurer and any such person or persons the Treasurer expressly authorizes shall have the authority to invest the Funds of the Agency.
- E. The Treasurer and any such person or persons authorized by the Treasurer shall act prudently and responsibly so as to ensure investments and deposits made under this Investment Policy are done so with judgment and care in accordance with this Investment Policy and applicable federal, state and local laws.

II. Investment Objectives

The Agency’s objectives with regard to all Permitted Investments (as defined below) involving the Funds of the Agency include the following, in order of priority:

- A. to comply with all applicable federal, state and local laws;
- B. to preserve the principal of the Funds;
- C. to maintain sufficient liquidity to meet the current and future operating requirements of the Agency; and
- D. to maximize return or to produce a reasonable rate of return.

III. Designation of Authorized Institutions for Deposit and Responsibility for Deposits

- A. Pursuant to the General Municipal Law, the Board of the Agency hereby designates those banks and trust companies authorized by law to serve as such depositories that the Agency, from time to time, shall choose to designate by resolution of the Board for the deposit of the Agency's Funds.
- B. The maximum amount which shall be kept on deposit at any time in each such bank or trust company shall not exceed \$2,000,000.
- C. The Treasurer or any other officer of the Agency authorized to have custody of the Funds shall be responsible for depositing the Funds in accordance with this Section III.
- D. In the event public deposits are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, as now or hereafter amended, such excess shall be secured in accordance with Section 10(3)(a) of the General Municipal Law.

IV. Permitted Investments and Responsibility for Investments

- A. The following, in accordance with Section 11 of the General Municipal Law, includes the permitted investments the Agency may temporarily invest moneys not required for immediate expenditure in (collectively, the "**Permitted Investments**"):
  - 1. special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in New York, provided however, that such time deposit account or certificate of deposit shall be payable within such time as the proceeds shall be needed to meet expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit be secured according to Section 10 of the General Municipal Law;
  - 2. obligations of the United States;
  - 3. obligations guaranteed by agencies of the United States where payment of principal and interest are guaranteed by the United States;
  - 4. obligations of the state of New York; and
  - 5. all other investments permitted by Section 11 of the General Municipal Law.
- B. The Board hereby delegates the Treasurer and any such person or persons the Treasurer authorizes the authority to temporarily invest the Funds of the Agency, provided such investments are made according to the General Municipal Law.

V. Written Contracts

The Agency shall enter into written contracts pursuant to which all investments of the Agency's Funds are made unless the Agency shall, by resolution, determine that a written contract is either not practicable or that there is not a regular business practice of written contracts with respect to a specific investment. Such contracts shall conform with the requirements outlined in Section 2925(c) of the Public Authorities Law.

VI. Diversification

- A. The Agency, when investing Funds, shall diversify its investments with respect to both the types of investments the firms with which it chooses to transact with.
- B. The Agency shall review investments at least quarterly on each January 1, April 1, July 1 and October 1 and shall allocate investments, if prudent to do so, so that no more than the greater of \$50,000 or 25% of its investments are obligations of any one obligor, other than the United States of America or the State of New York.

VII. Qualification of Investment Bankers, Brokers, Agents and Dealers, Advisors and Custodians

The Agency shall only enter into transactions with those investment bankers, brokers, agents, dealers, financial advisors and custodians which the Agency has deemed qualified and reliable. The following are the standards for qualification:

- A. Investment bankers retained by the Agency to serve as senior managing underwriters for negotiated sales must be registered with the United States Securities and Exchange Commission (the "SEC").
- B. Brokers, agents and dealers involved in:
  - 1. Government Securities must be a bank or trust company organized or licensed under the laws of any state of the United States of America or the United States of America or any national banking association or any registered broker/dealer or government securities dealer.
  - 2. Municipal Securities must be registered with the SEC.
- C. Financial advisors retained by the Agency must be a bank or trust company organized under the laws of any state of the United States of America or any national banking association, and any firm or person which is registered with the SEC under the Investment Advisors Act of 1940.
- D. Custodians retained by the Agency must be a bank or trust company organized under the laws of any state of the United States of America or any national banking association with capital and surplus of not less than \$50,000.

## VIII. Reporting

- A. Annually, the Agency's independent auditors shall prepare an independent audit of the Agency's investments for the fiscal year, the results of which shall be made available to the Board at the time the annual review and approval of investment guidelines is conducted by the Agency.
- B. Annually, the Treasurer shall prepare and the Agency shall approve an investment report, which shall include the following:
  - 1. this Investment Policy and any amendments to such Investment Policy since the last investment report, including an explanation of the guidelines and amendments;
  - 2. the results of an annual independent audit;
  - 3. the investment income record of the corporation; and
  - 4. a list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and/or advisor.
- C. The Agency shall make such investment report available to the public upon reasonable request therefor.
- D. The Agency shall annually submit its investment report to the chief executive officer and chief fiscal officer of each municipality for the benefit of which it was created and to the department of audit and control.
- E. Quarterly, the Agency shall direct the preparation and filing of a quarterly report with the Board regarding any new investments, the inventory of existing investments, and the selection of investment bankers, brokers, agent, dealers, advisors and/or auditors.

## IX. Amendment

The Agency may amend this Investment Policy from time to time.

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
ANNUAL REAL PROPERTY REPORT  
(YEAR ENDING DECEMBER 31, 2009)**

**Adopted by Resolution May 10, 2010**

As of December 31, 2009, the Riverhead Industrial Development Agency (the “**Agency**”) neither holds real property nor has disposed of either real or personal property (as those terms are used in the Disposition of Property Policy).

In accordance with the Agency’s Disposition of Property Policy, a copy of this report shall be delivered to the Comptroller, the Director of the Budget, the Commissioner of General Services and the Legislature of the municipality in which the Agency is located.

By: \_\_\_\_\_  
Name:  
Title: Chair

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
STATEMENT OF BOARD DUTIES AND RESPONSIBILITIES  
Adopted by Resolution May 10, 2010**

I. Introduction

- A. This Statement of Board Duties and Responsibilities (the “**Statement of Board Duties**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Section 2824 of the Public Authorities Law.
- B. The purpose of this Statement of Board Duties is to set forth the standards of conduct as well as the responsibilities of the Board of Directors of the Agency (the “**Board**”) in furtherance of the purposes of the Agency as set forth in the General Municipal Law.

II. Roles and Responsibilities

The members of the Board shall:

- A. Execute direct oversight of the Agency’s Chief Executive Officer and other management in the effective and ethical management of the Agency;
- B. Understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the authority;
- C. Establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the Chief Executive Officer and management;
- D. Adopt a code of ethics applicable to each officer, director and employee that, at a minimum, includes the standards established in Section 74 of the Public Officer’s Law;
- E. Establish written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or member of the Board, investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services;
- F. Adopt a defense and indemnification policy and disclose such policy to any and all prospective members of the Board;
- G. Establish an audit committee to be comprised of independent members, such committee to (i) recommend to the Board the hiring of a certified independent accounting firm for the Agency, (ii) establish the compensation to be paid to the

accounting firm and (iii) provide direct oversight of the performance of the independent audit performed by the accounting firm; and

- H. Establish a governance committee to be comprised of independent members, such committee to (i) keep the Board informed of current best governance practices, (ii) review corporate governance trends and (iii) advise appointing authorities on the skills and experiences required of potential Board members.

No member of the Board, including the chairperson, shall serve as the Agency's Chief Executive Officer, Executive Director, Chief Financial Officer, Comptroller or hold any other equivalent position while also serving as a member of the Board.

### III. Duties of Care and Loyalty

- A. Duty of Care: Members of the Board shall perform his or her duties in good faith and exercise the degree of diligence, care and skill which an ordinarily prudent person in a like position would use under similar circumstances.
- B. Duty of Loyalty: Members of the Board shall be bound by their duty of undivided and unqualified loyalty to the Agency, a duty which encompasses good faith efforts to insure that their personal profit is not at the expense of the Agency.

### IV. Training

Individuals appointed to the Board shall participate in a state approved training regarding their legal, fiduciary, financial and ethical responsibilities as directors of an authority within one year of appointment to the Board.

### V. Specific Officer Duties

- A. Officers: The officers of the Agency shall be a Chair, a Vice Chair, a Secretary, a Treasurer, an Assistant Secretary and an Assistant Treasurer. Any two or more offices, except the offices of the Chair and the Secretary, may be held by the same person.
- B. Chair: The Chair shall preside at the meetings of the Agency. Except as otherwise authorized by resolution of the Agency, the Chair shall execute all agreements, contracts, deeds and any other instruments of the Agency. At each meeting the Chair shall submit such recommendations and information as he or she may consider proper concerning the business, affairs and policies of the Agency.
- C. Vice Chair: The Vice Chair shall perform the duties of the Chair in the absence or incapacity of the Chair; and in case of the resignation or death of the Chair, the Vice Chair shall perform such duties as are imposed on the Chair until such time as the Agency shall appoint a new Chair.

- D. Secretary: The Secretary shall keep the records of the Agency, shall act as Secretary of the meetings of the Agency and record all votes, shall keep a record of the proceedings of the Agency in a journal of proceedings to be kept for such purpose and shall perform all duties incident to his or her office. The Secretary shall keep in safe custody the seal of the Agency and shall have the power to affix such seal to all contracts and other instruments authorized to be executed by the Agency.
- E. Assistant Secretary: The Assistant Secretary shall perform the duties of the Secretary in the absence or incapacity of the Secretary; and in the case of the resignation or death of the Secretary, the Assistant Secretary shall perform such duties as are imposed on the Secretary until such time as the Agency shall appoint a new Secretary.
- F. Treasurer: The Treasurer shall have the care and custody of all funds of the Agency and shall deposit same in the name of the Agency in such bank or banks as the Agency may select. Except as otherwise authorized by resolution of the Agency, the Treasurer shall sign all instruments of indebtedness, all orders and all checks for the payment of money; and shall pay out and disburse such moneys under the direction of the Agency. Except as otherwise authorized by resolution of the Agency, all such instruments of indebtedness, orders, and checks shall be countersigned by the Chair. The Treasurer shall keep regular books of accounts showing receipts and expenditures, and shall render to the Agency at each regular meeting an account of his transactions and also of the financial condition of the Agency. The Treasurer shall give such bond for the faithful performance of his or her duties as the Agency may determine.
- G. Assistant Treasurer: The Assistant Treasurer shall perform the duties of the Treasurer in the absence or incapacity of the Treasurer; and in the case of the resignation or death of the Treasurer, the Assistant Treasurer shall perform such duties as are imposed on the Treasurer until such time as the Agency shall appoint a new Treasurer. The Assistant Treasurer shall give such bond for the faithful performance of his or her duties as the Agency may determine.
- H. Additional Duties: The Officers of the Agency shall perform such other duties and functions as may from time to time be authorized by resolution of the Agency or be required by the Agency, by the By-Laws of the Agency or by the rules and regulations of the Agency.
- I. Appointment of Officers: All officers of the Agency except the first Chair shall be appointed at the annual meeting of the Agency from among the members of the Agency, and shall hold office for one year or until the successors are appointed.
- J. Vacancies: Should any office become vacant, the Agency shall appoint a successor from among its membership at the next regular meeting, and such appointment shall be for the unexpired term of said office.

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
WHISTLEBLOWER POLICY  
Adopted by Resolution May 10, 2010**

I. Introduction

- A. This Whistleblower Policy (the “**Whistleblower Policy**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Section 2824(1) of the Public Authorities Law.
- B. The purpose of this Whistleblower Policy is to protect employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance or other inappropriate behavior by an employee or member of the Board of Directors of the Agency (the “**Board**”) in connection with the Agency’s finances or other aspects of its operations.
- C. This Whistleblower Policy also sets forth the retention and treatment of such complaints, including confidential, anonymous submissions received from employees.

II. Operative Policy

- A. Should any person know or have a reasonable belief that persons associated with the Agency plan to engage or have engaged in illegal or unethical conduct in connection with the finances or other aspect of the Agency’s operations, that person should immediately file a complaint with the Executive Director. Employees of the Agency may submit complaints on a confidential, anonymous basis. If the complaint concerns the Executive Director or if the complainant is not comfortable reporting to the Executive Director, the complainant should then notify the Chair of the Board.
- B. Issues arising under the Agency’s equal employment opportunity policy, including the policy against harassment, employee benefit policies and issues generally handled by individuals responsible for the Agency’s personnel practices and procedures are not covered by the policy. Mechanisms for resolving such issues are addressed in separate procedures.
- C. The Executive Director or Chair of the Board will report all complaints to the Chair of the appropriate committee, such as the Audit or Governance Committee, or if the Chair is the subject of the complaint, to another member of the committee, prior to the next regularly scheduled meeting. In appropriate circumstances, the Executive Director or Chair of the Board may report a complaint to the co-chairperson. Reports to the co-chair or other committee member or to the Chair of the Board will include the following:

1. a copy of the complaint, its date, nature and source (unless complainant is an employee who has requested confidentiality and/or anonymity);
  2. how the complaint was communicated; and
  3. whether the Executive Director regards the complaint as credible, and proposes to address it.
- D. The Chair or other committee member will promptly report the complaint to the full committee, except that the complaint will not be shared with the individual who is the subject of the complaint. Likewise, if a complaint is reported to the Chair of the Board, he or she will promptly report the complaint to the full Board, except to any individual who is the subject of the complaint.
- E. All credible allegations will be followed up promptly, with further investigation conducted if needed to resolve disputed facts. In conducting its investigations, the Agency will respect an employee's request for confidentiality and/or anonymity and will strive to keep the identity of other complainants as confidential as possible, consistent with the need to conduct an adequate review and investigation.
- F. The committee to which a complaint has been reported will inform the Board if any complaint is confirmed, or if the committee otherwise believes that the Board should be made aware of the situation. The committee will have ultimate authority over the treatment of any complaints reported to it, subject to the Board's oversight.
- G. The committee or, in the case of complaints reported to the full Board, the Board, will ensure that records of all complaints are maintained in accordance with the Agency's document retention policy.
- H. The Agency shall take appropriate action in response to any complaints including, but not limited to, disciplinary action (up to and including termination) against any person who, in the Agency's assessment, has engaged in misconduct and report such misconduct to the relevant civil or criminal authorities as required by law.
- I. The Agency will not knowingly, with the intent to retaliate, take any action harmful to any person, including interference with lawful employment or livelihood, for reporting a complaint in good faith pursuant to this Whistleblower Policy or to law enforcement officers, governmental agencies or bodies, or persons with supervisory authority over the complainant.
- J. There will be no punishment or other retaliation for:
1. providing information regarding a complaint in good faith to, or otherwise assisting in any investigation regarding a complaint conducted by, the

Agency, law enforcement officers, governmental agencies or bodies or persons with supervisory authority over the complainant; or

2. filing a complaint in good faith, or otherwise participating or assisting in a proceeding filed or about to be filed (with any knowledge of the Agency) regarding any complaint.

K. Any individual who deliberately or maliciously provides false information may be subject to disciplinary action (up to and including termination).

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
DEFENSE AND INDEMNIFICATION POLICY  
Adopted by Resolution May 10, 2010**

I. Introduction

- A. This Defense and Indemnification Policy (the “**Defense and Indemnification Policy**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Section 2824(1) of the Public Authorities Law.

II. Operative Policy

- A. The Agency shall in all respects be governed in conformity with Chapter 10 of the Riverhead Town Code as adopted July 6, 2005, as the same may be amended from time to time. Each Board member, officer, and employee shall be covered in all respects by such code.
- B. A copy of Chapter 10 of the Riverhead Town Code is attached hereto as Exhibit A.

**Exhibit A**

*Chapter 10 of the Riverhead Town Code – relating to Defense and Indemnification*

**#\_\_-10 ADOPTS DEFENSE AND INDEMNIFICATION POLICY OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

\_\_\_\_\_ offered the following resolution which as seconded by \_\_\_\_\_:

**WHEREAS**, the Public Authorities Accountability Act of 2005 (the “Act”) and the **PARA 2009**, requires the Riverhead Industrial Development Agency to adopt a defense and indemnification policy; and

**WHEREAS**, the Riverhead Town Board has by Local Law adopted on July 16, 2005, included the Riverhead Industrial Development Agency as a protected agency under Chapter 10 of the Riverhead Town Code entitled “Civil Claims”; and

**WHEREAS**, the Riverhead Industrial Development Agency wishes to ratify and adopt Chapter 10 of the Riverhead Town Code as the same may be amended from time to time;

**NOW, THEREFORE, BE IT RESOLVED**, that the By-Laws of the Riverhead Industrial Development Agency be amended by adding a new Article VII entitled “Defense and Indemnification Policy” as follows:

“The Riverhead Industrial Development Agency shall in all respects be governed in conformity with Chapter 10 of the Riverhead Town Code as adopted July 6, 2005 as the same may be amended from time to time. Each Board member, officer, and employee shall be covered in all respects by such code.”

(Add copy of Town Code)

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
TIME AND ATTENDANCE POLICY  
Adopted by Resolution May 10, 2010**

(Amended at May 17, 2010 Board Meeting)

I. Introduction

- A. This Time and Attendance Policy (the “**Time and Attendance Policy**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Section 2824(1) of the Public Authorities Law.

II. Operative Policy

- A. The members of the Board of Directors of the Agency (the “**Board**”) shall be available as necessary and required to perform their duties and responsibilities as set forth in the Statement of Board Duties and Responsibilities, adopted by resolution May 10, 2010.
- B. The members of the Board shall put forth their best efforts in performing their respective duties and responsibilities.
- C. Members consistently absent shall be asked in writing to resign from the Board of Directors. The Chairman of the Board shall notify the Town Supervisor and Members of the Riverhead Town Board of such request. (**Paragraph C. added on May 17, 2010 Board Meeting by Angela DeVito**)

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
TIME AND ATTENDANCE POLICY  
Adopted by Resolution May 10, 2010**

I. Introduction

- A. This Time and Attendance Policy (the “**Time and Attendance Policy**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Section 2824(1) of the Public Authorities Law.

II. Operative Policy

- A. The members of the Board of Directors of the Agency (the “**Board**”) shall be available as necessary and required to perform their duties and responsibilities as set forth in the Statement of Board Duties and Responsibilities, adopted by resolution May 10, 2010.
- B. The members of the Board shall put forth their best efforts in performing their respective duties and responsibilities.

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
SALARY, COMPENSATION AND REIMBURSEMENT POLICY  
Adopted by Resolution May 10, 2010**

I. Introduction

- A. This Salary, Compensation and Reimbursement Policy (the “**Compensation Policy**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Section 2824(1) of the Public Authorities Law and in accordance with Section 856(2) of the General Municipal Law.
- B. The Compensation Policy applies to the Executive Director and all members of the Board of Directors of the Agency (the “**Board**”).

II. Operative Policy

- A. The Executive Director shall be fairly compensated by salary at an amount to be negotiated with and approved by the Board.
- B. All members of the Board shall receive no compensation for their services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of their duties.

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
CODE OF ETHICS  
Adopted by Resolution May 10, 2010**

I. Introduction

- A. This Code of Ethics (the “**Code of Ethics**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Article 18 of the General Municipal Law and Section 74 of the Public Officers Law.
- B. The Agency shall annually review and approve this Code of Ethics and shall post and maintain same on the Agency’s website.
- C. The Executive Director of the Agency shall cause this Code of Ethics to be distributed to each officer, director and employee of the Agency.

II. Conflicts of Interest

No officer, director or employee of the Agency shall have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest.

III. Standards

- A. No officer, director or employee of the Agency shall accept other employment which will impair his independence of judgment in the exercise of his official duties.
- B. No officer, director or employee of the Agency shall accept employment or engage in any business or professional activity which will require him to disclose confidential information which he has gained by reason of his official position or authority within the Agency.
- C. No officer, director or employee of the Agency shall disclose confidential information acquired in the course of his official duties nor use such information to further his personal interests.
- D. No officer, director or employee of the Agency shall use or attempt to use his official position within in the Agency to secure unwarranted privileges or exemptions for himself, his family members or others.
- E. No officer, director or employee of the Agency shall engage in any transaction as representative or agent of the state of New York with any business entity in which he has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.

- F. An officer, director or employee of the Agency shall not by his conduct give a reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position or influence of any party or person.
- G. An officer, director or employee of the Agency shall abstain from making personal investments in enterprises which he has reason to believe may be directly involved in decisions to be made by him or which will otherwise create substantial conflict between his duty in the public interest and his or her private interest. Nothing contained in this Code of Ethics shall prohibit an officer, director or employee of the Agency from obtaining interests in mutual funds which may include within its investment portfolio bonds, debentures, notes or other evidence of indebtedness of the Agency; provided, however, the Agency's bonds, debentures, notes or other evidence of indebtedness may not make up more than 10% of the mutual fund's total portfolio and the officer, director or employee of the Agency may not exercise any discretion with respect to the investments made by the mutual fund company.
- H. An officer, director or employee of the Agency shall pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.
- I. No officer, director or employee of the Agency employed on a full-time basis nor any firm or association of which such an officer, director or employee is a member nor any corporation, a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer, director or employee, should sell goods or services to any person, firm, corporation or association which is licensed by the Agency or whose rates are fixed by the Agency.
- J. If an officer, director or employee of the Agency shall have a financial interest valued at ten-thousand dollars (\$10,000) or more in any activity which is the subject of a project of the Agency he must file with the Agency a written statement that he or she has such financial interest, which statement shall be open to public inspection.

#### IV. Disclosure Procedure

- A. Any officer, director or employee of the Agency who has acquired or later will have acquired an interest in any actual or proposed contract with the Agency shall publicly disclose the nature and extent of such interest to the Agency as soon as he has knowledge of such actual or prospective interest. Such written disclosure shall be made part of the official record of the Agency.
- B. Each officer, director and employee of the Agency shall complete a disclosure statement in the form attached hereto as Exhibit A promptly after appointment or hiring and annually thereafter.

- C. Each officer, director and employee shall make the annual filings required pursuant to Section 2825(3) of the New York Public Authorities Law.

V. Violations

Any officer, director or employee of the Agency who shall knowingly and intentionally violate any of the provisions outlined in Part III, above, may be fined, suspended or removed from office or employment in the Agency in the manner provided by law.

- VI. The Agency shall also adhere to the Code of Ethics of the Town of Riverhead, as adopted on November 16, 2004, as the same may be amended from time to time, and attached hereto as Exhibit B.



**Exhibit B**

**CODE OF ETHICS of the TOWN OF RIVERHEAD**

*The Riverhead Industrial Development Agency shall in all respects be governed in conformity with the code of Ethics of the Town of Riverhead as adopted November 16, 2004, as the same may be amended from time to time. Each board member, officer, and employee shall comply in all respects with such code. (Article V, Ethics, added to the By-Laws by resolution of amendment dated July 10, 2006)*

**CHAPTER 18. ETHICS, CODE OF**

**§ 18-1. Findings; purposes; construction with other provisions.**

**§ 18-2. Definitions.**

**§ 18-3. Copies of all documentation.**

**§ 18-4. Standards of conduct.**

**§ 18-5. Disclosure of interest in contract, transaction, or legislation.**

**§ 18-6. Void contracts.**

**§ 18-7. Exclusions from the Standards of Conduct and Transactional Disclosure.**

**§ 18-8. Inducement of violations.**

**§ 18-9. Appearance by outside employers and businesses of Town officers and employees.**

**§ 18-10. Annual financial disclosure and conflict statement.**

**§ 18-11. General applicant disclosure.**

**§ 18-12. Land use applications, applicant disclosure.**

**§ 18-13. Penalties; hearings; initiation of actions or proceedings.**

**§ 18-14. Debarment.**

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**§ 18-16. Designation of Town officers and employees required to file annual financial disclosure and conflict statements.**

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**§ 18-18. Ethics Board; establishment; qualifications of members; appointment of members; term of office.**

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**§ 18-24. Investigations.**

**§ 18-25. Waivers.**

**§ 18-26. Advisory opinions.**

**§ 18-27. Judicial review.**

**§ 18-28. Public inspection of records; public access to meetings; confidentiality of records and witness statements.**

**§ 18-29. Completion of present term by Town officer or employee.**

**§ 18-30. Miscellaneous provisions.**

**§ 18-31. Distribution and posting.**

**§ 18-32. Severability.**

[§ 18-33. When effective.](#)

**CHAPTER 18. ETHICS, CODE OF**

**[HISTORY: Adopted by the Town Board of the Town of Riverhead 11-16-2004 by L.L. No. 52-2004. Editor's Note: This chapter also superseded former Ch. 18, Ethics, Code of, adopted 3-4-1969 by Ord. No. 39. Amendments noted where applicable.]**

**GENERAL REFERENCES**

Defense and indemnification — See Ch. [15](#).

**§ 18-1. Findings; purposes; construction with other provisions.**

A. The proper administration of government requires Town officers and employees, whether elected or appointed, paid or unpaid and/or serving as a member of any administrative board, commission or other agency, to act fairly, impartially and without taint of conflict of interest in fulfilling their public responsibilities. It is the purpose of this chapter to provide standards of conduct, in addition to those set forth in Article 18 of the General Municipal Law, to assist Town officers and employees in discharging their duties in a proper and ethical manner and to provide for annual disclosure and/or transactional disclosure by elected officials and applicants in order to ensure impartiality and fairness in the administration of local government.

B. Purposes. Specifically, the purposes of this chapter are:

- (1) To enable and require the officers and employees of the Town to act fairly, impartially, without taint of conflict of interest and without any appearance of conflict of interest in fulfilling their public responsibilities;
- (2) To set high standards for ethical conduct by officers and employees of the Town;
- (3) To afford officers and employees of the Town clear guidance concerning such standards, including specific guidance in the form of advisory opinions;
- (4) To promote public confidence in the integrity of the government and administration of the Town and its agencies and administrative offices;
- (5) To facilitate consideration of potential ethical problems before they arise, minimize unwarranted suspicion, and enhance the accountability of government to the people;
- (6) To provide fair and speedy resolution of questions and complaints concerning the conduct of officers and employees of the Town;

(7) To protect the public from unethical conduct and to protect the officers and employees of the Town from frivolous claims;

(8) To educate the public, officers and employees of the Town regarding this Code of Ethics.

C. Construction with other provisions. Any requirements or standards set forth in this chapter are in addition to other requirements, prohibitions or rules governing ethical conduct set forth in Article 18 of the General Municipal Law or any other general or special law relative to ethical conduct and interests in municipal contracts.

## **§ 18-2. Definitions.**

As used in this chapter, the following terms shall have the meanings indicated:

### **ADMINISTRATIVE OFFICER**

An employee with administrative responsibilities that may include rendering ministerial acts or ministerial decisions.

### **AGENCY**

Any Town authority, agency, board, bureau, commission, committee or council created by law or appointed by the Town Board or Town Supervisor, except for an advisory committee.

### **APPEAR AND APPEAR BEFORE**

Communicating in any form, including without limitation, personally, through another person, by letter, by telephone or by electronic communication, with or without compensation.

### **BENEFIT**

Any gain or advantage to the beneficiary, and includes any gain or advantage to a third person pursuant to the desire or consent of the beneficiary, and any promise thereof. The term "benefit" does not include campaign contributions authorized by law.

### **CONSULTANT**

Any individual, association, partnership or corporation or any employee or agent thereof who has been retained to assist any board or agency in the discharge of its duties. Consultant shall also include any business partner, employer or members of consultant's firm or company.

### **CONTRACT**

As defined in Article 18 of the General Municipal Law, any claim, account or demand against or agreement with the Town, express or implied.

### **CLIENT OR CUSTOMER**

A. Any person to whom a Town officer or employee has supplied goods or services during the previous twenty-four months having, in the aggregate, a value greater than \$1,000; or

B. Any person to whom a Town officer's or employee's outside employer or business has supplied goods or services during the previous twenty-four months

having, in the aggregate, a value greater than \$1,000 but only if the officer or employee knows or has reason to know the outside employer or business supplied the goods or services.

**FORMER TOWN OFFICER OR EMPLOYEE**

Any person who held at any time in the past any position described in the definition of a "Town officer or employee."

**ETHICS BOARD**

The Ethics Board of the Town of Riverhead established pursuant to § [18-19](#) of this chapter.

**INTEREST**

As defined in Article 18 of the General Municipal Law, a direct or indirect pecuniary or material benefit accruing to a Town officer or employee as the result of a contract with the Town which such officer or employee serves. For purposes of this chapter, a Town officer or employee shall be deemed to have an interest in the contract of:

- A. His or her spouse or relative as defined herein, except a contract of employment with the Town which such Town officer or employee serves.
- B. A firm, partnership or association of which such Town officer or employee is an officer, member or employee.
- C. A corporation of which such Town officer or employee is an officer, director, or employee.
- D. A corporation of which any stock is owned or controlled directly or indirectly by such Town officer or employee.

**MINISTERIAL ACT OR MINISTERIAL DECISION OR MINISTERIAL MATTER**

An administrative action performed in a prescribed manner not allowing for substantial personal discretion.

**OUTSIDE EMPLOYER OR BUSINESS OF A TOWN OFFICER OR EMPLOYEE**

- A. Any activity, other than service to the Town, from which the Town officer or employee receives compensation, or anticipates or has reason to anticipate receiving compensation, for services rendered or goods sold or produced; or
- B. Any person from whom or from which the Town officer or employee receives compensation, or anticipates or has reason to anticipate receiving compensation, for services rendered or goods sold or produced; or
- C. Any entity, other than the Town, of which the Town officer or employee is a member, officer, director, or employee, or with which the Town officer or employee anticipates or has reason to anticipate becoming a member, officer, director, or employee within the next 24 months; or

D. Any entity in which the Town officer or employee has an ownership interest, unless the Town officer or employee owns less than 5% of such entity, and such interest is worth less than \$10,000; or

E. Any entity in which the Town officer or employee anticipates or has reason to anticipate obtaining or receiving an ownership interest, unless the ownership interest in question constitutes less than five percent of such entity, and such interest is worth less than \$10,000; or

F. Any activity, person or entity described in Subsections A through E above with which the Town officer or employee ceased to have any involvement or participation, or ceased to hold any position, or from which the Town officer or employee ceased to receive any compensation within a period of less than 24 months from the date when the Town officer or employee disclosed the termination of the outside employer or business relationship to the Board of Ethics pursuant to § [18-9](#).

**PARTICULAR MATTER**

Any case, proceeding, application, request for a ruling or benefit, determination, contract limited to the duration of the contract as specified therein, investigation, charge, accusation, arrest or other similar action which involves a specific party or parties, including actions leading up to a particular matter, provided that a particular matter shall not be construed to include the proposal, consideration or enactment of local laws or resolutions by the Town Board, or any action on the budget.

**PERSON**

A human being, a public or private corporation, an unincorporated association, a partnership, a government or a governmental instrumentality.

**POLITICAL PARTY COMMITTEE**

Any corporation or committee which operates to aid or promote the success or defeat of a political party and/or the election or defeat of any candidate, within the Town of Riverhead.

**RELATIVE**

A spouse, former spouse, child, stepchild, stepparent, or any person who is a direct descendant of the grandparents of the reporting individual or of the reporting individual's spouse, as well as any person claimed as a dependent on the reporting individual's most recently filed state personal income tax return.

**SPOUSE OF A TOWN OFFICER OR EMPLOYEE**

As defined in Article 18 of the General Municipal Law, the husband or wife of the Town officer or employee unless living separate and apart with the intention of terminating the marriage or providing for permanent separation or unless separated pursuant to a judicial order, decree or judgment; or a legally binding separation agreement.

**SUBORDINATE OF A TOWN OFFICER OR EMPLOYEE**

Any other Town officer or employee over whose activities he or she has direction or control, either directly or indirectly.

**SUPERVISOR OF A TOWN OFFICER OR EMPLOYEE**

Any other Town officer or employee who has direction or control, either directly or indirectly, over the activities of that Town officer or employee.

**TOWN**

The Town of Riverhead, but shall not be construed to include a Town Judge, Town Justice or officer of the Unified Court System.

**TOWN OFFICER OR EMPLOYEE**

An officer or employee of the Town of Riverhead, whether paid or unpaid, elected or appointed, including members of any administrative board, commission or other agency thereof. No person shall be deemed to be a Town officer or employee solely by reason of being a volunteer fireman or civil defense volunteer. A Town officer or employee shall not include a Judge, justice or officer of the Unified Court System.

**UNEMANICIPATED CHILD OF A TOWN OFFICER OR EMPLOYEE**

As defined in Article 18 of General Municipal Law, any son, daughter, stepson or stepdaughter who is under age eighteen years, unmarried and living in the household of the Town officer or employee.

**§ 18-3. Copies of all documentation.**

Whenever this chapter requires any person to file documents or information with the Town Clerk, such filing shall be made in duplicate. The Town Clerk shall stamp both copies with the date received, retain one copy, and forward the second copy immediately to the Board of Ethics.

**§ 18-4. Standards of conduct.**

A. Ethical conduct. In fulfilling their public responsibilities, Town officers and employees shall act fairly, impartially, without taint of conflict of interest and without any appearance of conflict of interest.

B. General prohibitions.

(1) Except as provided for in Subsection [B\(3\)](#) below, a Town officer or employee shall not use his or her official position or office, or take or fail to take any action, in a manner which he or she knows or has reason to know may result in a benefit to any of the following persons:

(a) The Town officer or employee who shall have taken or failed to take said action; or

(b) The outside employer or business of the Town officer or employee; or

(c) Any person who shares the residence of the Town officer or employee; or

(d) A customer or client of the Town officer or employee; or

(e) A relative of the Town officer or employee; or

(f) A person from whom the Town officer or employee has received election campaign contributions to his or her individual campaign committee aggregating more than \$1,000 during either the officer's most recent or current campaign for public office.

(2) A Town officer or employee shall not use his or her official position or office, or induce any of the persons listed above, to impose financial detriment or harm upon any person without reasonable justification.

(3) Recusal. A Town officer or employee shall promptly recuse himself or herself from acting on a matter before the Town when acting on the matter, or failing to act on the matter, may benefit any of the persons listed in Subsection [B](#) above. Recusal is not required by an elected Town Official so long as any relationship described in Subsection [B](#) above is disclosed as part of the public record, in accordance with the provisions of this chapter.

#### C. Gifts.

(1) In accordance with § 805-a of Article 18 of the General Municipal Law, a Town officer or employee shall not directly or indirectly solicit any gift, nor accept any gift having a value of \$75 or more from any person, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him or her or could reasonably be expected to influence him or her in the performance of official duties or was intended as a reward for any official action on his or her part.

(2) In particular, it is a conflict of interest for a Town officer or employee to accept anything worth more than \$75 from any of the following:

(a) A person who is currently seeking a benefit from the Town; or

(b) A person who the Town officer or employee knows, or has reason to know, will seek a benefit from the Town within the 12 months following the solicitation or acceptance; or

(c) A person who the Town officer or employee knows or has reason to know has received or sought a benefit from the Town within the 12 months preceding the solicitation or acceptance.

#### D. Confidential information.

(1) In accordance with § 805-a of Article 18 of the General Municipal Law, a Town officer or employee, and a former Town officer or employee, shall not disclose any

confidential or privileged information that he or she has acquired in the course of his or her official duties, except as provided for in Subsection [D\(3\)](#) of this subsection;

(2) A Town officer or employee, and a former Town officer or employee, shall not use any confidential or privileged information that he or she has acquired in the course of his or her official duties to further or to harm the interests of any person or further his or her personal interests.

(3) A Town officer or employee may disclose confidential or privileged information in the following situations:

(a) If the Town officer or employee is acting in furtherance of his or her official duties; or

(b) Pursuant to the order of a court of competent jurisdiction; or

(c) When authorized to do so pursuant to an advisory opinion of the Board of Ethics.

E. Representation; appearances. To supplement the provisions of § 805-a of Article 18 of the General Municipal Law, which prohibits representation before a Town agency over which the Town officer or employee has jurisdiction and also prohibits representation before any Town agency on any matter for a contingent fee, a Town officer or employee shall not:

(1) Represent any other person in any matter before any Town agency in which the Town officer or employee is, or may be, called upon to render any decision on behalf of the Town; or

(2) Represent any other person in any matter against the interest of the Town; or

(3) Appear before any agency of the Town, except on behalf of the Town, or on his or her own behalf.

F. Investment in conflict with official duties. Whenever a Town officer or employee holds an investment directly or indirectly, in any financial, business, commercial or other private transaction which creates a conflict with his or her official duties, he or she shall provide public disclosure in accordance with § [18-5D](#) and shall refrain from involvement in the matter which creates such conflict with his or her official duties.

G. Private employment. A Town officer or employee shall not engage in, solicit, negotiate for or promise to accept private employment or render services for private interests when such employment or service creates a conflict with or impairs the proper discharge of his or her official duties. This shall not be construed to apply to private employment outside of the jurisdictional limits of the Town, or whenever a

Town officer or employee has provided public disclosure in accordance with § [18-5B](#) and has acted in accordance with § [18-5D](#).

H. Political solicitation. No Town officer or employee shall, with undue influence, individually request, or knowingly authorize anyone else to individually request, any other Town officer or employee to participate in an election campaign or contribute to a political party committee. This shall not be construed to prevent requests which are mailed and are in form and substance the same as those mailed to nonemployees.

I. Revolving Door.

(1) For a period of six months following service on a Town agency, a former Town officer or employee shall not appear or practice before his or her former Town Agency, except on his or her own behalf; provided, however, that nothing contained herein shall be deemed to prohibit a former Town officer or employee from making communications with the agency served by the Town officer or employee which are incidental to an otherwise permitted appearance in an adjudicative proceeding before another agency or body or a court, unless the proceeding was pending in the agency served during the period of the Town officer or employee's service with that agency.

(2) No former Town officer or employee shall, at any time, appear before any Town agency, or perform any work, whether paid or unpaid, for any person, in connection with any particular matter on which the Town officer or employee personally participated in and substantially worked on during the period of his or her employment with the Town or which was under his or her active consideration.

(3) No former Town officer or employee shall, after leaving Town service, disclose or use for private advantage any confidential information gained from public service which is not otherwise made available to the public; provided, however, that this shall not prohibit any former Town officer or employee from disclosing any information concerning conduct which he or she knows or reasonably believes to involve waste, inefficiency, corruption, criminal activity or conflict of interest.

(4) The prohibitions on appearances and practice after leaving Town employment, as described in Subsection [1\(1\)](#) and [\(2\)](#) above, shall not apply to positions with or representation on behalf of any local, county, state or federal agency.

(5) Nothing contained in this subsection shall prohibit a former Town officer or employee from being associated with or having a position in a firm which appears before a Town agency on any matter or from acting in a ministerial manner on any matter regarding business dealings with the Town.

J. Consultants.

(1) Except as provided in Subsection [J\(2\)](#), [\(3\)](#) and [\(4\)](#) below, to avoid potential conflicts of interest, a Town consultant shall not appear on behalf of any other client before the Town or any agency thereof during the period of service to the Town by the consultant. The Town shall specify the restriction in any written contracts entered into between the Town and consultants. However, failure of the contract to state the restriction shall not affect the enforcement of this section of the Town's Ethics Code.

(2) The restrictions contained in this chapter shall not apply to consultants which:

(a) Operate a business located within the Town and have been retained by the Town to perform a contract valued at \$25,000 or less; or

(b) Have a written contract with the Town in which the Town Board has expressly authorized an exemption for the consultant from the provisions of the Town's Ethics Code; or

(c) Have received a special waiver from the Town's Ethics Board pursuant to Subsection [J](#) of this section.

(3) Nothing in this subsection shall be construed to prohibit a consultant from:

(a) Appearing on his own behalf, or on behalf of the Town, before a Town agency.

(b) Seeking or obtaining a ministerial act from an administrative officer; or

(c) Receiving a Town service or benefit, or using a Town facility, on the same terms on which such service, benefit or facility is available to the public.

(4) Special waiver. A consultant may make appearances before Town agencies otherwise prohibited by this section, upon written approval of the Ethics Board and the consent of the involved Town agencies. The Ethics Board shall consider such approval on a case-by-case basis taking into account for such findings the following criteria:

(a) The general expertise of the consultant.

(b) The expertise of the consultant relative to the particular matter.

(c) The extent of the consultant's involvement both for the Town and for the private client(s).

(d) The extent of the fees, past or future, to be paid to the consultant by the Town.

- (e) The impact such appearances may have on the public trust.
- (f) The statement of necessity from the involved Town agency.
- (g) The standard for this waiver is intended to be less stringent than that contained in § [18-25](#) of this Code. Such findings shall be detailed in writing by the Ethics Board and filed with the Office of the Town Clerk.

K. Avoidance of conflicts.

(1) A Town officer or employee shall not knowingly acquire, solicit, negotiate for, or accept any benefit, interest, employment, or other thing of value that would put him or her in violation of this Code of Ethics.

(2) No person who, by appointment or election, shall serve as an executive board member of a Town, county, state or national committee of a political party committee or any subdivision thereof shall hold appointive office on the Planning Board, Zoning Board of Appeals, Architectural Review Board, Board of Assessment Review or Conservation Advisory Council.

(a) Any person who is a member of the executive board of one of the aforementioned political party committees shall deliver to the Town Clerk, within five days of his or her appointment to one of the Town Boards listed above, evidence of his or her resignation from the executive board of said political party committee.

(b) Any person who is currently a member of any aforementioned appointive Board and currently is a member of an aforementioned executive board of political a party committee shall deliver to the Town Clerk such documentation establishing compliance with this Subsection [K\(2\)](#) within 20 days of the date of enactment of this chapter.

**§ 18-5. Disclosure of interest in contract, transaction, or legislation.**

A. Prohibited interests in contracts. No Town officer or employee shall have an interest in a contract with the Town, or an interest in a bank or trust company, as prohibited by § 801 of Article 18 of the General Municipal Law of the State of New York. Any contract willfully entered into by or with the Town in which there is an interest prohibited by that section shall be null, void, and wholly unenforceable, to the extent provided by § 805-a(2) of Article 18 of the General Municipal Law.

B. Disclosable interests in contracts or legislation.

(1) In accordance with § 803 of the General Municipal Law, whenever a Town officer or employee has, will have, or later acquires an interest in any actual or proposed contract with the Town, he or she shall publicly disclose the nature and

extent of such interest in writing to the relevant Town agency as soon as he or she has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such Town agency.

(2) To the extent that the Town officer or employee knows thereof, that a relative of the Town officer or employee has an interest in any actual or proposed contract with the Town, the Town officer or employee shall publicly disclose the nature and extent of such interest in writing to the relevant Town agency as soon as he or she has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such Town agency.

(3) To the extent that the Town officer or employee knows thereof, that any relative of the Town officer or employee has an interest gained by the sale of a service or property to the Town, the Town officer or employee shall publicly disclose the nature and extent of such interest in writing to the relevant Town agency as soon as he or she has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such Town agency.

(4) To the extent that the Town officer or employee knows thereof, the Town officer or employee, whether paid or unpaid, shall publicly disclose the nature and extent of any direct or indirect financial or other private interest in any matter, application, petition, or pending legislation in writing to the relevant Town agency. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such Town agency.

(5) To the extent that the Town officer or employee knows thereof that any relative of the Town officer or employee has any direct or indirect financial or other private interest in any matter, application, petition, or pending legislation before any Town agency, the Town officer or employee shall publicly disclose the nature and extent of any direct or indirect financial or other private interest in any matter, application, petition, or pending legislation in writing to the relevant Town agency. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such Town agency.

(6) The Town Clerk shall cause a copy of that written disclosure to be filed promptly with the Ethics Board.

C. Violations. Any Town officer or employee who willfully and knowingly violates any provision of § [18-5A](#) (Prohibited interests in contracts.) shall be guilty of a misdemeanor pursuant to Section 805 of Article 18 of the General Municipal Law.

D. Actions upon disclosure or recusal.

(1) Whenever a Town officer or employee makes a public disclosure pursuant to § [18-5B](#) or is otherwise required to recuse himself or herself pursuant to § [18-4B\(3\)](#) of this chapter, he or she shall immediately:

- (a) Refrain from any further involvement in the matter; and
- (b) Inform his or her immediate supervisor, if any; and
- (c) Shall immediately disclose in writing to the Town Clerk and orally on the record the reason for said recusal.

(2) A Town officer or employee shall not be required to file a public disclosure statement pursuant to this section if he or she, with respect to the same matter, has filed with the Town Clerk an Annual Disclosure Statement complying with requirements of Section [18-10](#) of this chapter.

### **§ 18-6. Void contracts.**

When any Town officer or employee, or any contracting party, has been found to have violated § [18-4](#), [18-5](#) or [18-10](#) of this chapter in connection with any contract or agreement entered into by or with the Town, such contract shall be void unless ratified by the Town Board after full disclosure of the facts and circumstances of all violations. No vote to ratify any contract pursuant to this section shall be taken without a report and recommendation of the Ethics Board pursuant to § [18-24D](#). However, any contract that violates § 801 of Article 18 of General Municipal Law cannot be ratified and is void.

### **§ 18-7. Exclusions from the Standards of Conduct and Transactional Disclosure.**

The provisions of §§ [18-4](#) and [18-5](#) of this chapter shall not prohibit, or require recusal or transactional disclosure as a result of:

- A. An action specifically authorized by statute, rule, or regulation of the United States or by the State of New York; or
- B. A ministerial act; or
- C. Gifts to the Town officer or employee which are:
  - (1) Received from his or her parent, spouse, or child; or
  - (2) Valued at less than \$75 in aggregate from any person during any twelve-month period; or
  - (3) Accepted on behalf of the Town and transferred to the Town; or

(4) Benefits having a value of \$75 or less that are received by a Town officer or employee listed in § 11 of the Domestic Relations Law of the State of New York for the solemnization of a marriage by the Town officer or employee at a place other than his or her normal public place of business or at a time other than his or her normal hours of business.

D. Receipt of Town services or benefits, or use of Town facilities, on the same terms and conditions as such services or benefits are available to residents or a class of residents in the Town; or

E. Representation of constituents by elected Town officials without compensation in matters of public advocacy.

**§ 18-8. Inducement of violations.**

A. No person, whether or not a Town officer or employee, shall solicit, importune, direct, induce, attempt to induce, aid or abet a Town officer or employee to violate any provisions of this chapter.

B. This section applies to all persons, whether or not a Town officer or employee. Pursuant to this chapter, any person found to have violated this section shall be subject to the imposition by the Town Board of civil fines pursuant to § [18-13B](#) of this chapter and subject to debarment pursuant to § [18-14](#) of this chapter. Any person found to have violated this section may be further subject to additional sanctions, penalties, forfeitures and damages as provided by this chapter and any other applicable law.

**§ 18-9. Appearance by outside employers and businesses of Town officers and employees.**

A. Except as provided in Subsection [C](#) below, the outside employer or business of a Town officer or employee shall not appear before the Town agency in which the Town officer or employee serves or by which the Town officer or employee is employed.

B. Except as provided in Subsection [C](#) below, the outside employer or business of a Town officer or employee shall not appear before any Town agency if the Town officer or employee has the authority to appoint any officer, employee or member of the agency or to review, approve, audit or authorize any budget, bill, payment or claim of the agency.

C. Nothing in this section shall be construed to prohibit the outside employer or business of a Town officer or employee from:

- (1) Appearing on its own behalf, or on behalf of the Town, before a Town agency;
- or

(2) Seeking or obtaining a ministerial act; or

(3) Receiving a Town service or benefit, or using a Town facility, on the same terms on which such service, benefit or facility is available to the public.

**§ 18-10. Annual financial disclosure and conflict statement.**

**[Amended 7-3-2007 by L.L. No. 21-2007]**

A. Town officers and employees required to file an annual financial and conflict disclosure statement. All elected officials, all Town department heads, Planning Board members, Zoning Board of Appeals members, Architectural Review Board members, Conservation Advisory Council members, Deputy Town Supervisor, Town Attorney, Deputy Town Attorneys, persons who are certified as Code Enforcement Officials as provided by Title 19 of the New York Code of Rules and Regulations Part 434, Building Inspectors, the Ethics Board, the Industrial Development Agency, the Farmland Preservation Committee, the Open Space/Park Preserve Committee, Accessory Apartment Review Board, and certain Town officers and employees and members of appointed boards and committees, as determined by the Town Board by resolution, are required to file a signed annual financial disclosure and conflict statement, which must be signed by the individual Town officer or employee.

**[Amended 4-15-2008 by L.L. No. 14-2008; 8-5-2008 by L.L. No. 29-2008; 6-16-2009 by L.L. No. 36-2009]**

B. Time and place for filing.

(1) Annual financial disclosure and conflict statements shall be filed with the Town Clerk on or before March 15 of each year;

**[Amended 11-18-2008 by L.L. No. 46-2008]**

(2) Newly elected officials shall file their first annual financial disclosure and conflict statement with the Town Clerk within 30 days after appointment and on or before each subsequent March 15 thereafter.

**[Amended 11-18-2008 by L.L. No. 46-2008]**

(3) Additional time to file. Town officials and employees who are required to file an annual financial disclosure and conflict statement may request from the Ethics Board an extension of time to file upon a showing of justifiable cause or hardship; provided, however, that such extension may not exceed 60 days.

(4) Public inspection. Annual financial disclosure and conflict statements required to be filed pursuant to this chapter shall be available for public inspection in the office of the Town Clerk.

C. Contents of the annual financial disclosure and conflict statement. The annual financial disclosure and conflict statement shall be upon the form established by the Riverhead Town Board as attached hereto that requires a sworn statement by the Town officers and employees required to file said statement as provided herein.

D. Amendments, corrections and update.

(1) A Town officer or employee who becomes aware of any changes necessary, misstatement or a deficiency in his or her annual financial disclosure and conflict statement shall file an amendment or correction thereof within 30 days of the date when he or she learns of the misstatement or deficiency. Timely filing of an amendment or correction pursuant to this subsection shall include disclosure of a possible misstatement or deficiency in connection with a request for an advisory opinion pursuant to § [18-26](#) and shall be deemed a complete defense to any allegation of unethical conduct in connection with the initial misstatement or deficiency.

(2) Within 30 days of any change in information disclosed pursuant to Subsection [C](#) of this section, the Town officer or employee shall file an updated annual financial disclosure and conflict statement. This subsection may be satisfied by a letter specifying the specific change or changes, filed with the Town Clerk pursuant to § [18-3](#).

E. Failure to disclose.

(1) If a person required to file an annual financial disclosure and conflict statement has failed to file a disclosure statement or has filed a deficient statement, the Ethics Board shall notify the reporting person in writing, state the failure to file or detail the deficiency, provide the person with a fifteen-day period to make such filing or cure such deficiency and advise the person of the penalties for failure to comply with the reporting requirements. Such notice shall be confidential. If the person fails to make such filing or fails to cure the deficiency within the specified time period, the Ethics Board shall send a notice of delinquency to the reporting person and to the Town Board. Any officer or employee who is required to file annual financial disclosure and conflict statements and fails to do so following the notification and cure period set forth in this section may be fined an amount not to exceed \$1,000.

(2) A finding and the imposition of a fine may only be made by the Town Board upon a referral to and recommendation from the Ethics Board.

### **§ 18-11. General applicant disclosure.**

This section applies to applicants seeking approvals from Town agencies or ministerial acts.

A. Where a person requests the Town or a Town officer or employee to take or refrain from taking any action (other than a ministerial act) that may result in a benefit to the applicant and to any officer or employee of the Town or any other person listed in § [18-4B](#), the applicant shall disclose the names of any such persons, to the extent known to the applicant at the time of the request.

B. If the request is made in writing, the disclosure shall accompany the request. If the request is oral and made at a meeting of a public body, the disclosure shall be set forth in the public record. If the request is not made at a meeting of a public body, the Town officer or employee to whom it is directed shall take no action upon the request until it has been submitted in writing, together with the necessary disclosure and filed with the Town Clerk.

### **§ 18-12. Land use applications, applicant disclosure.**

This section applies to applicants seeking approvals from Town agencies or ministerial acts.

A. Every application, petition or request submitted for a variance, amendment, change of zoning, approval of a subdivision map, site plan, special exception use, request for exemption from a subdivision map or official map, license or permit or grant requiring approval from the Town Board or a Town agency, pursuant to the provisions of any ordinance, local law, rule or regulation constituting the zoning and planning regulations of the Town shall state the name, residence and the nature and extent of the interest of any state officer, any officer or employee of the Town or of a municipality of which the Town is a part, or any executive board member of any political party committee in the person, partnership or association making such application, petition or request (hereinafter called the "applicant") to the extent known to such applicant as is required by § 809 of the General Municipal Law of the State of New York.

B. For the purpose of this section, an officer or employee shall be deemed to have an interest in the applicant when he, his spouse or their brothers, sisters, parents, children, grandchildren or the spouse of any of them:

- (1) Is the applicant; or
- (2) Is an officer, director, partner or employee of the applicant; or
- (3) Legally or beneficially owns or controls stock of a corporate applicant or is a member of a partnership or association applicant; or
- (4) Is a party to an agreement with such an applicant, express or implied, whereby he may receive any payment or other benefit, whether or not for services rendered, dependent or contingent upon the favorable approval of such application, petition or request.

C. Ownership of less than 5% of the stock of a corporation whose stock is listed on the New York or American Stock Exchanges shall not constitute an interest for the purposes of this section.

D. A person who knowingly and intentionally violates this section shall be guilty of a misdemeanor as provided in § 809 of the General Municipal Law.

E. The affidavit form to be submitted pursuant to Subsection [A](#) above shall be as follows:

**STATE OF NEW YORK)**

**) ss.:**

**COUNTY OF SUFFOLK)**

\_\_\_\_\_ being duly sworn deposes and says that he (or) she is \_\_\_\_\_ (Owner or Agent for Owner) for the property above described. That all statements made in this application are true to the best of his (or) her knowledge and belief, except as to any matter therein stated to be alleged on information and belief; as to such matters he (or) she believes the same to be true, and that any accompanying or attached map is subsequently correct.

The undersigned further states that no state officer, executive board member of any political party committee, or employee of the Town of Riverhead (nor any such officer's, board member's or employee's spouse, brother, sister, parent, child, grandchild or the spouse of any of them), has an interest, direct or indirect, in the person, partnership or association making the application. (If such an interest exists, the nature and extent of the interest must be stated. "Interest" is further defined in § [18-2](#) of the Riverhead Town Code.)

\_\_\_\_\_ Signature

\_\_\_\_\_ Print Name

Sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_ Notary Public, Suffolk County

**§ 18-13. Penalties; hearings; initiation of actions or proceedings.**

A. Disciplinary action.

(1) Any Town officer or employee who engages in any action that violates any provision of this chapter may be warned, reprimanded, suspended, removed from office or employment, and may be subject to any other sanction authorized by law or collective bargaining agreement, by the appointing authority or person or body authorized by law to impose such sanctions. A warning, reprimand, suspension, removal, or other authorized sanction may be imposed in addition to any other penalty contained in this chapter or in any other provision of law.

(2) In its discretion, after a hearing providing for the due process procedural mechanisms and subject to any applicable provisions of law and collective bargaining agreements, the Ethics Board may recommend disciplinary action pursuant to this section. The recommendation of the Ethics Board shall be made to the Town Board, which is authorized by law to impose such sanctions. The Ethics Board shall conduct and complete the hearing with reasonable promptness, unless in its discretion the Ethics Board waives its opportunity to make a recommendation and instead refers the matter in writing to the Town Board. If such a referral is made, the Ethics Board shall close the matter.

#### B. Civil fine.

(1) Any person who violates any provision of this chapter may be subject to a civil fine not to exceed \$1,500 for each violation. A civil fine may be imposed in addition to any other penalty contained in any other provision of law or in this chapter, other than a civil forfeiture pursuant to § [18-13D](#). A fine may only be imposed by the Town Board or appropriate court of law. A civil fine may not be imposed for a violation of § [18-5A](#).

(2) In its discretion, after a hearing providing for the due process procedural mechanisms and subject to any applicable provisions of law and collective bargaining agreements, the Ethics Board may recommend a civil fine not to exceed \$1,500 for each violation upon any person found by the Ethics Board to have violated this chapter. The recommendation of the Ethics Board shall be made to the Town Board and shall be public. The Ethics Board shall conduct and complete the hearing with reasonable promptness, unless in its discretion the Ethics Board, without recommendation, refers the matter to the appropriate appointing authority, person or body for such action as the Town Board deems appropriate. If such a referral is made, the Ethics Board shall close the matter. The Town Board, in its discretion, is authorized to impose such fine subject to a hearing and any applicable provisions of law and collective bargaining agreements.

#### C. Damages.

(1) Any person who violates any provision of this chapter shall be liable in damages to the Town for any losses or increased costs incurred by the Town as a result of the violation. Such damages may be imposed in addition to any other

penalty contained in any other provision of law or in this chapter, other than a civil forfeiture pursuant to § [18-13D](#).

(2) A finding of damages may only be made by the Town Board or an appropriate court of law.

D. Civil forfeiture.

(1) Any person who intentionally or knowingly violates any provision of this chapter may be subject to a civil forfeiture to the Town of a sum equal to three times the value of any financial benefit he or she received as a result of the conduct that constituted the violation. A civil forfeiture may be imposed in addition to any other penalty contained in any other provision of law or in this chapter, other than a civil fine pursuant to § [18-13B](#) or damages pursuant to § [18-13C](#). Civil forfeiture shall not be available for a violation of § [18-5A](#). Treble damages and/or civil forfeiture may only be imposed by a court of competent jurisdiction.

(2) The Town Board may initiate an action or special proceeding, as appropriate, in a court of competent jurisdiction to obtain civil forfeiture, pursuant to this section.

E. Misdemeanor. Any person, whether or not a Town officer or employer, who intentionally violates any provision of this chapter shall be guilty of a Class A misdemeanor and, upon conviction thereof, if a Town officer or employee, shall forfeit his or her Town office or employment, subject to any applicable provisions of law and collective bargaining agreements. This subsection shall not apply to a violation of § [18-5A](#).

F. Prosecutions. The Ethics Board may refer any information that it receives concerning a possible criminal violation to the appropriate prosecutor or other law enforcement agency. Nothing contained in this chapter shall be construed to restrict the authority of any prosecutor to prosecute any violation of this chapter or of any other law.

G. Limit on Ethics Board. Nothing in this section shall be construed to permit the Ethics Board to take any action with respect to any alleged violation of this chapter, or of any other law, by the Ethics Board or by any member or staff member thereof.

H. Town Board response to the Ethics Board. The Town Board shall, within 45 days of receipt of a written referral pursuant to this section from the Ethics Board, respond in writing and state in sum and substance the Town Board's intention with respect to the referral.

**§ 18-14. Debarment.**

A. Any person, whether or not a Town officer or employee, who intentionally or knowingly violates any provision of this chapter shall be prohibited from entering into

any contract with the Town for a minimum period of six months but not to exceed three years.

B. No person, whether or not a Town officer or employee, shall enter into a contract in violation of a bar imposed pursuant to § [18-14A](#).

C. Nothing in Subsections [A](#) or [B](#) above shall be construed to prohibit any person from receiving a service or benefit, or from using a facility, that is generally available to the public.

D. Any person, whether or not a Town officer or employee, who intentionally or knowingly violates any provision of this chapter shall be prohibited for a minimum period of six months but not to exceed three years from applying to the Town for any benefit except for benefits granted by ministerial act of Town officers or employees upon proof of residence.

E. Under this section, a corporation, partnership, or other entity shall not be held vicariously liable for the actions of an employee. A corporation, partnership, or other entity shall not be debarred because of the actions of an employee unless the employee acted in the execution of company policy or custom. A store, region, division, or other unit of an entity shall not be debarred because of the actions of an employee of that unit unless the employee acted at the direction, or with the actual knowledge or approval, of the manager of the unit.

F. In its discretion and after a hearing providing for due process procedural mechanisms and subject to any applicable provisions of law, the Ethics Board may recommend that the Town Board issue an order of debarment, pursuant to this section.

### **§ 18-15. Injunctive relief.**

A. Any resident, officer, or employee of the Town may initiate an action or special proceeding, as appropriate, in the court of competent jurisdiction for injunctive relief to enjoin an officer or employee of the Town from violating this chapter or to compel an officer or employee of the Town to comply with the provisions of this chapter. In lieu of, or in addition to, injunctive relief, the action or special proceeding, as appropriate, may seek a declaratory judgment.

B. No action or special proceeding shall be prosecuted or maintained pursuant to § [18-15A](#) unless:

(1) The plaintiff or petitioner shall have filed with the Ethics Board a sworn complaint alleging the violation by the Town officer or employee; and

(2) It shall appear by and as an allegation in the complaint or petition filed with the court that at least six months have elapsed since the filing of the complaint with the

Ethics Board and that the Ethics Board has failed to file a determination in the matter; and

(3) The action or special proceeding shall be commenced within 10 months after the alleged violation occurred.

**§ 18-16. Designation of Town officers and employees required to file annual financial disclosure and conflict statements.**

**[Amended 7-3-2007 by L.L. No. 21-2007;11-18-2008 by L.L. No. 46-2008]**

Within 90 days after the effective date of this chapter, and during the month of January each year thereafter, the Town Supervisor shall:

A. Cause to be filed with the Ethics Board a list of the names and offices or positions of all Town officers and employees required to file annual financial disclosure and conflict statements pursuant to § [18-10](#) of this chapter; and

B. Notify all such officers and employees of their obligation to file an annual financial disclosure and conflict statement on the current year's form.

C. Notify all new officers and employees, subject to § [18-10](#), within 10 days of appointment of their obligation to file an annual financial disclosure and conflict statement on the current year's form within 30 days and on or before March 15 of each year thereafter.

**§ 18-17. Maintenance of disclosure statements; records.**

The Ethics Board shall index and maintain on file for at least seven years all disclosure statements and records filed with the Ethics Board pursuant to this chapter. The records must be stored in a Town owned and operated facility within the Town of Riverhead.

**§ 18-18. Ethics Board; establishment; qualifications of members; appointment of members; term of office.**

A. There is hereby established an Ethics Board consisting of five (5) members. The Town Board shall appoint the members of the Ethics Board.

B. Of the total membership of the Ethics Board, no more than two shall be registered to vote in the same New York State recognized political party, nor shall more than two be nonaffiliated voters or unregistered voters. An Ethics Board member may make campaign contributions and attend benefits, but may not participate in activities such as passing out literature, petitions, or wearing pins for an election. An individual who has served as a campaign manager or treasurer for a political party committee or individual election campaign committee shall be ineligible to serve on the Ethics Board for the two-year period immediately following the completion of his other

service for the campaign or political committee. Ethics Board members who opt to enter campaign races for public office shall promptly resign from the Town's Ethics Board.

C. No person may be appointed as a member of the Ethics Board who is:

- (1) An officer or committee person of any local, county or state political party, association, club or independent political committee subject to the various regulations and reporting requirements of the State Election Law; or
- (2) A campaign manager or treasurer for a political party committee or individual election campaign committee; or
- (3) Currently serving as an elected Town officer; or
- (4) Currently a relative of an elected Town officer; or
- (5) Currently having business dealings with the Town or any Town agency, directly or indirectly, personally or through some firm, association or corporation in which he or she acts in an official capacity.

D. One, but not more than one, member of the Ethics Board shall be an appointed Town officer or employee or former Town officer or employee.

E. The terms of office of the Ethics Board members shall be two (2) years. Terms shall run from January 1 through December 31. The members first appointed following the effective date of this chapter shall be appointed as follows: three to serve two-year terms, two to serve one-year terms. Subsequent terms shall be staggered two-year terms.

F. When the term of an Ethics Board member has expired, he or she shall serve as a holdover until his or her successor has been appointed.

G. The members of the Ethics Board shall not receive compensation but may be reimbursed for reasonable expenses incurred in the performance of their official duties, pending Town Board approval by resolution.

H. Members of the Ethics Board shall be provided with legal defense and indemnification in accordance with the requirements of Chapter [15](#), Defense and Indemnification, of the Town Code of the Town of Riverhead.

### **§ 18-19. Vacancies on Ethics Board.**

When a vacancy occurs in the membership of the Ethics Board, the vacancy shall, within 45 days, be filled for the unexpired portion of the term in the same manner as the

original appointment. Any person appointed to fill a vacancy on the Ethics Board shall meet the qualifications set forth in § [18-18](#) of this chapter.

**§ 18-20. Removal of Ethics Board members.**

A. An Ethics Board member may be removed from office upon any of the following grounds:

- (1) Failure to meet the qualifications set forth in Section [18-18](#) of this chapter; or
- (2) Substantial neglect of duty; or
- (3) Gross misconduct in office; or
- (4) Inability to discharge the powers or duties of office; or
- (5) A violation of this chapter.

B. A member whose removal is under consideration by the Town Board shall be given written notice of the allegations against him or her, and provided a reasonable opportunity to reply. A member whose removal is under consideration by the Town Board shall, at the member's option, continue to serve as a member of the Ethics Board unless and until the Town Board has voted to remove him or her. A member whose removal is under consideration by the Town Board shall, at the member's option, be afforded a public hearing before the Town Board, at which such member may be represented by counsel, call witnesses in his or her own behalf, and cross-examine witnesses who testify against the member.

**§ 18-21. Chair of Ethics Board; meetings.**

At its first meeting each year, the Ethics Board shall elect a Chair from among its members. Any action of the Ethics Board must be approved by a majority thereof. The Chair or a majority of the Ethics Board may call a meeting of the Ethics Board.

**§ 18-22. Powers and duties of Ethics Board.**

A. The termination of a Town officer's or employee's term of office or employment with the Town shall not affect the jurisdiction of the Ethics Board with respect to the requirements imposed on him or her by this chapter.

B. The Ethics Board shall have the following powers and duties:

- (1) To prescribe and promulgate rules and regulations governing its own internal organization and procedures in a manner consistent with this chapter.

- (2) As necessary to carry out its duties under this chapter, the Ethics Board may request the Town Board to designate certain Town staff to provide such clerical services. The Ethics Board may retain outside counsel, subject to approval by the Town Board for rates of compensation and total annual budget allocation.
- (3) To review, index, and maintain on file lists of Town officers and employees, and disclosure statements filed with the Ethics Board, pursuant to the applicable provisions of this chapter;
- (4) To review, index, maintain on file, and dispose of sworn complaints alleging violations of this chapter and to make notifications and conduct investigations pursuant to § [18-24](#).
- (5) To conduct hearings, make recommendations for disciplinary actions and penalties, make referrals, and initiate appropriate actions and proceedings pursuant to § [18-13](#).
- (6) To grant waivers pursuant to § [18-25](#).
- (7) To render, index and maintain on file advisory opinions pursuant to § [18-26](#).
- (8) To provide training and education to Town officers and employees and to make information concerning this chapter and Article 18 of the General Municipal Law available, to the public and to persons interested in doing business with the Town.
- (9) To develop educational materials and an education program for Town officers and employees concerning the provisions of this chapter and Article 18 of the General Municipal Law.
- (10) To prepare an annual report to the Town Supervisor and Town Board, summarizing the activities of the Ethics Board. The report may also recommend changes to the text or administration of this chapter. The Ethics Board shall periodically review this chapter and the Board's rules, regulations, and administrative procedures to determine whether they promote integrity, public confidence, and participation in Town government and whether they set forth clear and enforceable, common sense standards of conduct.
- (11) To publish:
  - (a) Its advisory opinions in a form that removes personal identifying information concerning all persons who are the subjects of such advisory opinions and decisions, provided that each such person approves the form in which the advisory opinion is published; and

(b) Its final decisions and referrals and recommendations for disciplinary actions and penalties. Any report and recommendation presented to the Town Board pursuant to this chapter; and

(c) Its decisions disposing of complaints in which it reached a determination that no violation of this chapter occurred, provided that the published version of any such decision shall be in a form that removes personal identifying information concerning all persons who are the subjects of the complaint and that each such person approves the form in which the advisory opinion is published.

(12) To provide for public inspection of certain records pursuant to § [18-28](#).

### **§ 18-23. Review of lists and disclosure statements.**

A. The Ethics Board shall review:

(1) The lists of Town officers and employees, prepared pursuant to § [18-16](#) of this chapter, to determine whether the lists are complete and accurate. The Ethics Board shall recommend to the Town Board the name of any other officer or employee who the Ethics Board determines should appear on the list pursuant to § [18-10](#).

(2) All annual financial disclosure and conflict statements to ensure compliance with the standards as set forth in this chapter and to determine whether any person required to file such a statement has failed to file it, has filed a deficient statement, or has filed a statement that reveals a possible or potential violation of this chapter.

**[Amended 7-3-2007 by L.L. No. 21-2007]**

(3) All transactional disclosure statements.

B. If the Ethics Board determines that an annual financial disclosure and conflict statement or a transactional disclosure statement is deficient or reveals a possible or potential violation of this chapter, the Ethics Board shall notify the person in writing of the deficiency or possible or potential violation and of the penalties for failure to comply with this chapter.

**[Amended 7-3-2007 by L.L. No. 21-2007]**

### **§ 18-24. Investigations.**

A. Upon receipt of a written complaint by any person alleging a violation of this chapter or upon determining on its own initiative that a violation of the chapter may exist, the Ethics Board shall have the power and duty to conduct with reasonable promptness any investigation necessary to carry out the provisions of this chapter. Written complaints must be signed by the individual complainant, notarized and must

include his/her address. In conducting any such investigation, the Ethics Board may administer oaths or affirmations, compel attendance of witnesses, and require the production of any books or records that it may deem relevant and material. The Ethics Board shall make a reasonable effort to obtain voluntary cooperation prior to exercising or enforcing its right to compel testimony. Further, the Ethics Board shall take steps to ensure that every individual's right to due process is protected.

B. The Ethics Board shall state in writing the disposition of every sworn written complaint it receives and shall set forth the reasons for the disposition. All such statements and all sworn complaints shall be indexed and maintained on file by the Board.

C. Any person filing a sworn complaint with the Ethics Board, and every person who is named in such a complaint, shall be notified in writing of the disposition of the complaint.

D. Upon the written request of the Town Board, of a Town officer or employee, or of any contracting party, the Ethics Board shall investigate and provide to the Town Board a written report and recommendation concerning any Town contract or agreement that may be void pursuant to § 18-6. Additionally, the Ethics Board may, in its discretion, undertake such an investigation upon its own initiative, in which case it may present a report and recommendation to the Town Board.

E. Nothing in this section shall be construed to permit the Ethics Board to conduct an investigation of itself or of any of its members or staff. If the Ethics Board receives a complaint alleging that the Ethics Board or any of its members or staff has violated any provision of this chapter, or any other law, the Ethics Board shall promptly transmit to the Town Board a copy of the complaint.

#### **§ 18-25. Waivers.**

A. Upon written application and upon a showing of compelling need by the applicant, the Ethics Board may in exceptional circumstances grant the applicant a waiver of any of the provisions of § 18-4, 18-5, 18-9, 18-10, or 18-11 of this chapter, provided, however, that no such waiver shall permit conduct otherwise prohibited by Article 18 of the General Municipal Law of the State of New York.

B. Waivers shall be in writing and shall state the grounds upon which they are granted. Within 10 days after granting a waiver, the Ethics Board shall file with the Town Clerk a statement setting forth the name of the person requesting the waiver and a general description of the nature of the waiver. All applications, decisions, and other records and proceedings relating to waivers shall be indexed and maintained on file by the Ethics Board.

#### **§ 18-26. Advisory opinions.**

A. Upon the written request of any Town officer or employee or former Town officer or employee, the Ethics Board shall render a written advisory opinion with respect to the interpretation or application of this chapter or of Article 18 of the General Municipal Law of the State of New York, under such rules and regulations as the Ethics Board may deem advisable, and said advisory opinion shall be reviewed by either the Town Attorney, or by legal counsel retained by the Ethics Board. Any other person may similarly request an advisory opinion from the Ethics Board but only with respect to whether his or her own action might violate a provision of this chapter or Article 18 of the General Municipal Law.

B. Advisory opinions and requests for advisory opinions shall be indexed and maintained on file by the Ethics Board in a place of its choosing; however, the records must be stored in a Town-owned and operated facility within the Town of Riverhead.

C. Any person who has submitted to the Ethics Board a written request for an advisory opinion may bring a special proceeding pursuant to Article 78 of the Civil Practice Law and Rules for an order compelling the Ethics Board to issue the advisory opinion. In addition to, or in lieu of; such injunctive relief, the person may seek a judgment in accordance with § 3001 of the Civil Practice Law and Rules determining the question posed in the request for the advisory opinion. No action or special proceeding shall be prosecuted or maintained pursuant to this section unless:

(1) It shall appear by and as an allegation in the petition or complaint that at least six months have elapsed since the filing of the request and that the Ethics Board has failed to file any determination in the matter; and

(2) The action or special proceeding shall be commenced within 10 months after the submission of the request for the advisory opinion.

D. No Town officer or employee shall be subject to discipline by the Town or the Town agency that employs him or her for acting, or declining to act concerning a matter, assignment, decision or task of his or her Town office or employment, if he or she acts, or declines to take action:

(1) In full compliance with an advisory opinion issued pursuant to this chapter concerning a specific action to be taken or refused; or

(2) Pending issuance by the Ethics Board of an advisory opinion concerning the specific action to be taken or refused; or

(3) After placing his or her immediate supervisor on written notice, with two copies thereof filed with the Town Clerk, that his action or refusal to act is based on good faith reliance upon a specific part of this chapter.

**§ 18-27. Judicial review.**

Any person aggrieved by a decision of the Town Board pursuant to this chapter may seek judicial review and relief pursuant to Article 78 of the Civil Practice Law and Rules of the State of New York.

**§ 18-28. Public inspection of records; public access to meetings; confidentiality of records and witness statements.**

A. The only records of the Ethics Board that shall be available for public inspection are those whose disclosure is required by Article 6 or Article 7 of the Public Officers Law of the State of New York or by some other state or federal law or regulation.

B. No meeting or proceeding of the Ethics Board concerning misconduct, malfeasance, or neglect in office by a Town officer or employee shall be open to the public, except upon the request of the officer or employee or as required by the provisions of Article 7 of the Public Officers Law or by some other state or federal law or regulation.

C. Except as otherwise provided by Article 6 and Article 7 of the New York State Public Officers Law, all requests for advisory opinions, all sworn written complaints, all advisory opinions, all decisions disposing of complaints, all investigative records and files, and all witness statements taken by the Ethics Board or by any person acting on its behalf shall be held in confidence by the Ethics Board, and shall not be disclosed by any member of the Ethics Board to any person, except as follows:

(1) Any information deemed by the Ethics Board to concern a possible criminal violation shall not be confidential for the purpose of disclosing it to the appropriate prosecutor or other law enforcement agency; or

(2) A sworn written complaint shall not be confidential for the purpose of disclosing it to any person named therein and for the purpose of notifying all such persons of the disposition thereof; or

(3) A decision disposing of a complaint shall not be deemed confidential for the purpose of disclosing it to the person who made the complaint; or

(4) A publication made by the Ethics Board pursuant to this chapter; or

(5) Upon a recommendation to the Town Board for further investigation or upon recommendations of disciplinary action or a civil fine pursuant to § [18-13A](#) or [B](#), the Ethics Board shall turn over all related information, including testimony, to the Town Board. The Town Board shall then be constrained by the same confidentiality standards as those set forth above for the Ethics Board.

**§ 18-29. Completion of present term by Town officer or employee.**

Any Town officer or employee who is in compliance with the 1969 Ethics Code but is in violation of this chapter at the time of its enactment shall have 60 days to resolve the conflict.

**§ 18-30. Miscellaneous provisions.**

A. No existing right or remedy shall be lost, impaired, or affected by reason of this chapter.

B. Nothing in this chapter shall be deemed to bar or prevent a present or former Town officer or employee from timely filing any claim, account, demand, or suit against the Town on behalf of himself or herself or any member of his or her family arising out of personal injury or property damage or any lawful benefit authorized or permitted by law.

C. If any provision of this chapter is held by a court of competent jurisdiction to be invalid, that decision shall not affect the validity and effectiveness of the remaining provisions of this chapter.

**§ 18-31. Distribution and posting.**

A. Within 30 days after the effective date of this chapter, and thereafter as appropriate, the Town Supervisor shall cause a copy of this chapter to be distributed to each Town officer and employee. Every Town officer or employee elected or appointed thereafter shall be furnished a copy of this chapter within ten days after entering upon the duties of his or her position.

B. Failure of the Town to comply with the provisions of this section or failure of any Town officer or employee to receive a copy of the provisions of this chapter shall have no effect on the duty of compliance with this chapter or on the enforcement of its provisions.

C. Posting. In accordance with § 807 of the General Municipal Law, the Town Supervisor shall cause a copy of Article 18 of said law to be kept posted in each public building under the jurisdiction of the Town in a place conspicuous to its officers and employees. Failure to post any such copy shall have no effect on the duty of compliance with said law nor with the enforcement of the provisions thereof.

**§ 18-32. Severability.**

If any clause, sentence, paragraph, section or part of this chapter, now or through supplementation, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

**§ 18-33. When effective.**

This chapter shall take effect upon filing with the Secretary of State and Office of the State Comptroller pursuant to the Municipal Home Rule Law. The specific provisions of § [18-41](#) (Revolving door) shall apply only to those Town officers or employees employed by the Town on or after January 1, 2005.

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
POLICY PROHIBITING LOANS AND CREDIT TO OFFICERS,  
DIRECTORS AND EMPLOYEES  
Adopted by Resolution May 10, 2010**

I. Introduction

- A. This policy prohibiting loans and credit to officers, directors and employees (“the **Loan and Credit Policy**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Section 2824(5) of the Public Authorities Law.

II. Operative Policy

- A. No officer, director or employee of the Agency shall accept or arrange for any loan or extension of credit from the Agency or any affiliate of the Agency.
- B. The Agency shall not, directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, director or employee (or equivalent thereof) of the Agency.

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:  
STATEMENT OF INTERNAL CONTROLS  
(Year Ending December 31, 2009)**

**Adopted by Resolution May 10, 2010**

The internal control structure and procedures of the Riverhead Industrial Development Agency (the “**Agency**”) are regularly reviewed by the officers, directors and employees of the Agency as well as by the Agency’s independent accountants annually.

This statement certifies that the management of the Agency has documented and assessed the internal control structure and procedures of the Agency for the year ending December 31, 2009. This assessment found the Agency’s internal controls to be adequate, and to the extent that deficiencies were identified, the Agency has developed corrective action plans to reduce any corresponding risk.

By: \_\_\_\_\_  
Name:  
Title: