

Lillian D. Valenti

*Director, Procurement*

March 12, 2014

**Subject: Policy on Gifts, Gratuities, Business Expenses, and Offers of Employment**

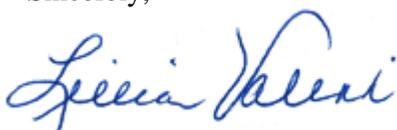
The Port Authority strives to maintain the highest levels of honesty, integrity, and public trust in all its endeavors. As such, I would like to take this opportunity to emphasize the Port Authority Zero Tolerance Policy regarding gifts, gratuities, business expenses, and offers of employment to our employees related to their official duties.

As you are aware, the Port Authority has had a long-standing policy restricting solicitation and acceptance of gifts, gratuities and offers of employment by Port Authority employees, and the offer of such items to Port Authority employees by third parties who are actual or potential Port Authority business partners (“Third Party Offers”). At the request of the Port Authority Board of Commissioners, in order to eliminate any confusion and make enforcement of the Port Authority’s ban on employee acceptance of gifts, gratuities, business expenses and offers of employment, as well as Third Party Offers, more robust, we are emphasizing a simple, flat ban subject to certain limited exceptions discussed below.

This Zero-Tolerance Policy establishes a clear, bright-line standard that is easy to apply and administer, helps to avoid even the appearance of impropriety, and avoids the potential for abuse. No longer will acceptance of favors of any kind, such as entertainment, meals, transportation, etc., or payment/reimbursement for business expenses, or payment of business expenses on their behalf, or Third Party Offers, hinge upon whether acceptance might tend to obligate Port Authority employees to any patron, tenant, concessionaire, vendor or other party. Among its more notable exceptions, the Zero-Tolerance Policy is not intended to preclude: (i) the offer or acceptance of items that are offered or made available to the general public; (ii) reimbursement directly to the Port Authority for an employee’s business expenses by another governmental entity, or a non-profit organization, provided, that, if direct reimbursement to the Port Authority would not be permitted under the rules or regulations applicable to any of such entities, then payment or reimbursement of such business expenses may be made directly to, or on behalf of, the employee upon review and approval of a designated Law Department attorney (acting in such capacity under the Port Authority’s Code of Ethics and Financial Disclosure); (iii) the offer or acceptance of unsolicited gifts or benefits of trivial or nominal value, provided such acceptance does not create a breach of ethical standards; and (iv) the offer or acceptance of nominal refreshments, such as nonalcoholic beverages and snacks, at a business meeting away from the employee’s work location. Additionally, the restriction on offers of employment does not preclude consideration of the experience and expertise of a Port Authority employee by a prospective employer. The Zero-Tolerance Policy is reflected in the newly revised Administrative Instruction (AI) 20-1.06, Gifts, Gratuities, Business Expenses, and Offers of Employment (Revised March 11, 2014), and in paragraph IV.E of AI 20-1.15, Code of Ethics and Financial Disclosure (Revised March 11, 2014), which have been released in anticipation of this announcement. The revised [AI 20-1.06](#) and [AI 20-1.15](#) may be accessed through the Port Authority public website, as well as through [this link](#).

Thank you for your cooperation in ensuring compliance with the standards of the Zero-Tolerance Policy.

Sincerely,



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