

## **GIVING AND ACCEPTING GIFTS**

### **I. Introduction**

This policy updates the strict zero-tolerance rules for employees of The Port Authority of New York and New Jersey and Port Authority Trans-Hudson Corporation, including all subsidiaries (collectively, the “Port Authority”) with respect to the solicitation, offer, receipt or acceptance of any gift.

This policy seeks to prevent both actual impropriety and the appearance of impropriety and sets forth the obligations and restrictions for gifts involving any party that does, seeks to do or is likely to do business with the Port Authority (Section III); gifts between Port Authority employees (Section IV); and the procedures for reporting gifts and seeking guidance regarding giving and accepting gifts (Section V).

### **II. Applicability**

This policy applies to all Port Authority employees. To the extent this policy affects terms and conditions of employment, represented employees should refer to their respective collective bargaining agreements.

Individuals who work for Port Authority vendors and lessees, as defined by the Vendor and Lessee Codes of Ethics, respectively, are prohibited under those Codes from offering gifts to or receiving gifts from Port Authority employees or members of the Port Authority Board of Commissioners.

### **III. Restrictions on Business-Related Gifts**

#### **A. Rules on Receiving Gifts**

1. Employees have an obligation to avoid both actual impropriety and the appearance of impropriety. Therefore, employees and their Immediate Family Members may not request, demand, receive or accept a Gift from any entity or person they know or should reasonably know to be an Interested Party.
2. Employees and their Immediate Family Members may not request, demand, receive or accept a Gift from any individual or entity when it would be reasonable to infer that the Gift was intended to influence or reward the employee in connection with the performance of their official duties.

## B. Definitions

1. "Immediate Family Members" are an employee's spouse, domestic partner, children, parents, siblings, grandparents and grandchildren;
2. "Gift" is any item, service, gratuity, favor, discount or other thing of value that (i) provides a tangible, intangible or perceived benefit; and (ii) is worth more than a nominal amount; and
3. "Interested Party" is (i) any individual or organization that does, seeks to do or is likely to do business with the Port Authority; and (ii) any individual or organization acting on behalf of an Interested Party.

## C. Prohibited Gifts to Employees Can Include:

1. merchandise or goods such as jewelry, electronic equipment, clothing, gift baskets, alcohol, or personalized or customized items;
2. cash or cash equivalents such as checks, gift cards or gift certificates;
3. stocks, bonds and other forms of securities;
4. loans or modifications of loan obligations or other debts;
5. meals, beverages, hotel accommodations, transportation, tickets or admission to sports, entertainment or other events;
6. discounts on goods, merchandise or services; and
7. services, business courtesies, and other favors.

## D. Exceptions

The following are general exceptions from the rules set out in Section III(A)(1) and Section III(A)(2) above, subject to conditions where indicated below:

1. Red Caps employed by the Port Authority may accept reasonable and customary tips from customers or patrons.
2. Employees may accept items of nominal value; these include:
  - a. awards, plaques, modest and appropriate retirement gifts, and other reasonable and customary ceremonial items given in recognition of service related to an employee's official duties and responsibilities;
  - b. nominal refreshments such as non-alcoholic beverages, coffee, tea, soft drinks, juice or water and modest snacks such as bagels, muffins, fruits and vegetables, chips and pretzels, cookies, candy or cheese and crackers during a business meeting or event; and

- c. small branded promotional items with a fair market value of less than \$15 such as pens, pencils, notepads or other small office supplies. Employees may not accept multiple items which individually have a fair market value of \$15 or less if the aggregate value of the items exceeds \$50 per year.
- 3. Employees may accept items or discounts that are widely available to the general public.
- 4. Employees may accept items or discounts that are available to:
  - a. governmental employees;
  - b. all workers at a facility or office complex, regardless of employer; and
  - c. all employees through programs in which the Port Authority is a participating member.
- 5. Employees may accept awards, contest prizes and other raffle or door prizes offered to participants in contests or events, unless (i) entry into the contest or attendance at the event is based on Port Authority employment, or (ii) entry was paid for or reimbursed in whole or in part by the Port Authority.
- 6. Employees and their Immediate Family Members may accept Gifts from an Interested Party under circumstances which make it entirely clear that (i) the Gift is motivated by a family or close personal relationship rather than the position of the employee with the Port Authority, and (ii) the acceptance is otherwise consistent with Port Authority ethical standards.
- 7. Employees and their Immediate Family Members may accept Gifts from a prior or current employer that is an Interested Party where such Gifts are (i) available to all similarly situated employees or former employees and (ii) not enhanced, dependent or conditioned in any way upon the position of the employee with the Port Authority.
- 8. Employees may accept continuing education or other professional membership credits received from a business event sponsored or co-sponsored by an Interested Party with prior written approval from the Chief Ethics and Compliance Officer.

#### E. Rules on Giving Gifts

- 1. Employees are prohibited from giving Gifts to an Interested Party.
- 2. In limited circumstances, employees may give the following Gifts to an Interested Party if the Gifts are consistent with the Interested Party's own policy regarding such items and if the Gifts are:
  - a. approved Port Authority promotional material or branded items;

- b. approved business meals in accordance with the requirements of *Administrative Instruction 15-3.01, Reimbursement of Business Expenses and Business Travel*;
- c. customary, reasonable tips and gratuities for services rendered during business events and business travel as defined by *Administrative Instruction 15-3.01, Reimbursement of Business Expenses and Business Travel*; these include housekeeping services, restaurant services, car services and baggage handling services; or
- d. given to an Interested Party embedded in Port Authority operations on a long-term basis and performing duties that would otherwise be performed by a Port Authority employee, where the Gift is voluntarily made, reasonable in relation to the occasion for the giving, relatively modest in value, appropriate for the workplace, and approved by the Office of Ethics and Compliance prior to exchange.

#### IV. Gifts Between Employees

##### A. Rules

- 1. Gifts, as defined in Section III(B)(2) above, can be exchanged between Port Authority employees if voluntarily made, reasonable in relation to the occasion for the giving, relatively modest in value, and appropriate for the workplace.
- 2. Supervisors may not solicit a Gift for themselves, or any other person, from subordinate employees or request that subordinate employees share the cost of a Gift for the supervisor or any other person. Supervisors may accept an unsolicited Gift from a subordinate employee only for important life events such as engagements, marriages, retirement, condolences or the arrival of a child.

##### B. Exceptions

- 1. Employees who are involved in any way in an investigation, audit, disciplinary procedure or grievance may not solicit or accept a Gift from an employee who is a target, subject or witness with respect to any of those processes or inquiries.
- 2. Employees who provide advice and guidance as to the applicability and meaning of Port Authority policies or ethical obligations may not solicit or accept a Gift from an employee who is seeking such advice or guidance.
- 3. Employees who negotiate, interpret or enforce collective bargaining agreements, resolve labor and union grievances, or participate in employee disciplinary processes on behalf of the Port Authority cannot solicit or accept a Gift from an employee who is (i) directly involved in or directly affected by such activities or (ii) acting in their role as a union official or on behalf of a union.

## V. Relevant Procedures

### A. Receipt and Handling of Gifts

1. Employees must immediately report the request, offer, acceptance or receipt of any Gift that would violate this policy to the Office of Ethics and Compliance.
2. Questions as to any aspect of this policy, including whether an item constitutes a Gift, should be directed to the Office of Ethics and Compliance.

B. In certain rare circumstances, Gifts may be offered to the Port Authority as an agency; such Gifts may be accepted only upon written approval from the Office of Ethics and Compliance.

## VI. Violations

Violations of this policy may result in disciplinary action up to and including termination. Compliance with this policy does not relieve any employee of their obligation to comply with applicable federal, state and/or local laws or regulations, the Employee Code of Ethics, or any other Port Authority policies, rules or regulations. Depending on the circumstances, a violation of this policy may also constitute a violation of federal, state, and/or local laws, including laws against bribes and kickbacks.

## VII. Application of Other Policies

Certain items or services that might otherwise be considered a Gift are regulated by other Port Authority policies.

- A. Offering or soliciting future employment for an employee or their Immediate Family Members may constitute or create the appearance of an improper Gift. Employees must comply with the rules and procedures set forth in *Administrative Instruction 20-1.16, Offers of Employment and Post-Employment Obligations*, with respect to any such communications about future employment with an Interested Party.
- B. Waiving, paying for or otherwise reimbursing expenses incurred while conducting business on behalf of the Port Authority may constitute or create the appearance of an improper Gift. Employees must comply with the requirements of *Administrative Instruction 15-3.01, Reimbursement of Business Expenses and Business Travel*, and confer in advance with the Chief Ethics and Compliance Officer for any exceptions.
- C. Requesting or accepting honoraria, speaking fees or payments of any kind unrelated to official Port Authority duties may constitute or create the appearance of an improper Gift and/or constitute outside employment. Employees must comply with *Administrative Instruction 20-1.04, Outside Employment*, and receive prior permission to engage in any such activity or receive any such payments or benefits.

## VIII. Related Policies and Procedures

[Employee Code of Ethics](#)

[General Rules and Regulations for All Port Authority Employees](#)

[PATH Book of Rules](#)

[AI 15-3.01 Reimbursement of Business Expenses and Business Travel](#)

[AI 20-1.04 Outside Employment](#)

[AI 20-1.15 Conflicts of Interest and Financial Disclosure](#)

[AI 20-1.16 Offers of Employment and Post-Employment Obligations](#)

[AI 20-1.18 Whistleblower Protection](#)

[Vendor Code of Ethics](#)

[Lessee Code of Ethics](#)

*Revises prior version dated March 11, 2014.*

### **DISCLAIMER**

Although issued in revised format, the information contained in these Administrative Instructions (AIs) reflects the content of previously issued Administrative Policy Statements (APs) and, in certain limited instances, Port Authority Instructions (PAIs). The rules set forth in these AIs will remain in effect until changing conditions require their revision. This body of instructions is not intended to be exhaustive with respect to all the responsibilities of employees and it does not constitute a contract. These AIs will be updated from time to time to reflect changes or additions as appropriate, at the direction of the Executive Director.