

UTAH TRANSIT AUTHORITY POLICY

No. UTA.01.01

ETHICS

1) Purpose.

The integrity of UTA and its employees should be beyond reproach as UTA fulfills its obligations to be a good steward of taxpayer-funded resources. Accordingly, this Ethics and Ethics Reporting Policy establishes standards of conduct that conform to state and federal ethics laws and UTA expectations for ethical behavior. This Ethics and Ethics Reporting Policy sets forth processes for the disclosure and review of circumstances that might raise potential ethical concerns. It also establishes a mechanism for reporting ethical concerns and protecting employees who report such concerns in good faith. This Ethics Policy applies to all employees, part-time and full-time. It is based around the fundamental principles of integrity, accountability and transparency which must govern any agency which is a steward of public funds. Every situation encountered by a UTA employee may not be addressed in this policy, but the litmus test must always be that no UTA employee should ever use his or her position at UTA to further a personal financial interest.

2) Definitions.

“Business Relationship” or “Doing Business With” means an entity or individual who has or is seeking a contract with UTA, seeks or receives grant funding from UTA, provides grant funding to UTA, receives payments for goods or services from UTA, or for whom UTA pays for goods or services.

“Candidate for Public Office” means an employee who has filed for candidacy for public office, an employee who receives contributions or makes expenditures related to candidacy for public office, or an employee who coordinates with any individual or entity to receive contributions or make expenditures related to candidacy for public office.

“Confidential Information” shall mean information disclosed by the Authority during the course of an employee's employment, information developed or learned by an employee during the course of employment, and information regarding UTA's technology, techniques, processes, research, test results, agreements, employees, marketing, sales, business plans, strategies, strategic legislative plans and agendas, unpublished financial information, budgets, and projections.

“Conflict of Interest” means a personal or economic interest, outside employment, outside interest or other circumstance or relationship that impairs an employee's ability to discharge his or her duties in a legal and ethical manner consistent with the best interests of UTA.

“Controlled, Private or Protected Information” means information classified as controlled, private or protected pursuant to Utah Code Ann. §63G-2-101, et seq.

“Designated Employee” means an employee identified by the Executive Director. At a minimum, Designated Employees shall include UTA's Executive Director, Director of Internal Audit, Comptroller, and Chief Officers.

“*Employee*” means any part-time or full-time employee of UTA.

“*Ethics Committee*” means a committee composed of the Ethics Officer, Compliance Officer as appointed by the Executive Director, and an Executive appointed by the Executive Director. In the event that the Executive appointed by the Executive Director is involved in a matter brought before the Ethics Committee, then the Executive Director shall sit with the Ethics Committee in such Executive’s stead.

“*Ethics Officer*” means the Director of Internal Audit.

“*Compliance Officer*” means an individual appointed by the Executive Director to carry out the duties identified in this policy.

“*Executive*” means the Executive Director or any Chief Officer.

“*Form*” means Financial Disclosure Report.

“*Fraud*” means the use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization’s resources or assets.

“*Gift*” means:

- A. Anything of economic value that is paid, loaned, granted, given, donated, or transferred to any employee by anyone outside of UTA.
- B. Gift does not include:
 - 1. Snack Items Snacks or beverages (but not meals) of Nominal Value provided in the ordinary course of business meetings,
 - 2. Unsolicited advertising materials such as pens, pencils, note pads, calendars, and other business-related items of Nominal Value
 - 3. Items given to employees by individuals with long-standing social or family relationships, under circumstances that make it clear the relationship, rather than the employee’s position at UTA, is the motivating factor (receipt of such Gifts must be reported to a Supervisor immediately); and
 - 4. Items of Nominal Value made available to the general public or all attendees at a conference or event.

“*Investment Property*” means a rental or commercial real property.

“*Local Official*” means an elected member of a local government. It also means an individual appointed to or employed in a position in a local government if that individual occupies a policymaking position, makes purchasing or contracting decisions, drafts ordinances or resolutions, drafts, makes rules, determines rates or fees, or makes adjudicative decisions. A Local Official also means the immediate family members of individuals described in this definition.

“*Meals Provided in the Ordinary Course of Business Meetings*” means meals that are paid for by a third party and provided to a group of individuals including UTA employees who are jointly working on a UTA-related matter. The cost of these meals accepted by a UTA employee must be limited to \$25.00 per occasion and \$50.00 per 12-month rolling calendar year from any specific vendor. These meals must never be solicited nor accepted with the intent to allow any type of influence on a procurement decision or action.

Meals provided for a purely social purpose outside the actual business meeting are not considered to have been provided in the ordinary course of business. Payment for such meals by a UTA vendor is considered a gift and therefore unacceptable.

“*Nominal Value*” shall mean having a market value of no more than \$10.00 and an aggregate value in a calendar year of no more than \$50.00 from any specific vendor.

“*Outside Employment*” shall mean employment by another employer as well as self-employment.

“*Personal Financial Interest*” means any type of a financial interest consisting of cash, real estate, securities, potential employment or offer of employment, contract, or other item of tangible dollar value whether held by the employee, the employee’s spouse, or other immediate family member.

“*Public Office*” means any position obtained as a result of a partisan general or special election whose duties overlap an area served by UTA.

“*Report*” means a concern reported by a UTA employee.

“*Reporter*” means an employee reporting a concern.

“*Vendor*” means an entity that currently has a Business Relationship with UTA, is seeking a Business Relationship with UTA, or is reasonably likely to seek or form a Business Relationship with UTA in the future.

3) Policy.

A. Conflicts of Interest Generally

It is vital to the proper operation of UTA for employees to avoid not only actual Conflicts of Interest but also those situations that may be reasonably perceived by others as a Conflict of Interest. Accordingly, no employee shall make or participate by way of evaluation, recommendation or approval, in the making of any decision regarding UTA with respect to any matter in which the employee has any Personal Financial Interest. Potential Conflicts of Interest could exist in regard to outside interests, financial interests, and/or outside employment. Any employee who has an actual or apparent Conflict of Interest must immediately report the nature of such interest to a Senior Manager and/or Director in the employee’s supervisory chain and also to the Ethics Officer. Designated Employees must also disclose such actual or potential Conflicts of Interest in the Form described in Section F of this Policy.

B. Outside Financial Interests and Employment

1. General

- a. Employees are prohibited from engaging in business or other activities that may create a conflict of interest with their employment of UTA.
- b. Employees should refrain from engaging in any outside endeavor or activity which is likely to require or induce the employee to disclose Controlled, Private or Protected Information gained by reason of UTA employment.
- c. Employees are prohibited from accepting other employment or engaging in other activities that might impair independent judgment or ethical performance of assigned UTA duties.
- d. Employees are prohibited from participating in or receiving compensation for any transaction between UTA and a business entity in which an employee is an officer, director, or possesses a Personal Financial Interest.

2. Disclosure of Personal Financial Interest

Employees must disclose a Personal Financial Interest in any entity which currently conducts or is likely to conduct business in the transit industry. The disclosure must be made to both a Senior Manager and/or Director in the employee's supervisory chain and also to the Ethics Officer. The Ethics Officer will present the issue to the Ethics Committee for review and recommendation. The employee's Senior Manager and/or Director along with the Ethics Committee will evaluate the Personal Financial Interest to determine if it creates a Conflict of Interest between the private interest and the employee's duties at UTA and shall also determine if mitigation actions are required. Mitigation actions may include, but are not limited to, divestiture of the financial interest or adjustment of the employee's UTA duties.

3. Prospective Outside Employment

Any employee seeking outside employment must avoid conflicts of interest between themselves, UTA, and the prospective employer. In order to avoid actual and potential conflicts, any employee seeking, applying for, or intending to apply for a position with an outside employer may not, as an employee of UTA, make recommendations, advise, approve, negotiate, or use their influence in any dealings that involve the prospective employer. In such matters, the employee must recuse himself or herself. Any exception to this policy must be approved by the Executive Director. Approval shall only be given if recusal of the employee does not impede UTA mission accomplishment and is in the best interest of UTA.

4. Outside Employment

Employees may engage in Outside Employment in addition to their UTA employment subject to the following restrictions:

- a. Outside Employment may not compete or conflict with or compromise UTA's interests or adversely affect the employee's job performance.
- b. Employees shall not perform Outside Employment during working time paid for by UTA
- c. Employees shall not use UTA resources, including but not limited to facilities, technology resources, tools, etc., to perform Outside Employment.
- d. Employees shall not disclose UTA's Confidential Information to outside employers.

e. Full Disclosure Required – Since any outside employment by a UTA employee carries the potential for a conflict of interest to arise, all outside employment must be disclosed to an employee’s senior manager and/or director. If the senior manager and/or director believes that a conflict of interest either exists or is likely to arise, the senior manager and/or director shall provide the information to the Ethics Officer who shall, in turn, provide such information to the Ethics Committee. The Ethics Committee shall evaluate the outside employment and make a determination as to whether a conflict of interest exists or is likely to arise and also whether mitigation actions are required. Mitigation actions include, but are not limited to, direction to the employee to discontinue the outside employment or adjustment of the employee’s UTA job duties to avoid the conflict of interest.

5. Coordination with Supply Chain Organization

The Ethics Officer shall inform the Supply Chain Senior Manager about any circumstances where an employee has a financial interest, outside employment, or is conducting employment discussions with a UTA Vendor that is deemed an actual or perceived conflict of interest. The Procurement Division of the Supply Chain Management Organization shall utilize this information in taking appropriate measures to ensure that no UTA procurement action is tainted by a conflict of interest.

6. Public Officer

An employee who is a Candidate for Public Office must provide copies of all state or federal required financial disclosures to UTA’s Ethics Officer within seven days of the deadline for submitting the disclosures. If a state or federal financial disclosure is not required, an employee who is a Candidate for Public Office must submit a list of campaign donors to UTA’s Ethics Officer on a monthly basis during the period the employee is a Candidate.

7. Executive Investment Property Ownership

An Executive’s ownership of investment property within a 0.5 mile radius, as the crow flies, from any Front Runner, TRAX station, or transit oriented development will be considered to be a potential Conflict of Interest requiring disclosure and then evaluated by the Ethics Committee. The ownership of investment property within a .5 mile radius of a bus stop is not considered to be a Conflict of Interest. The ownership of a primary residence within a 0.5 mile radius, as the crow flies, is not considered to be a conflict of interest.

C. Gifts to Employees

1. It is a criminal offense under Utah law for an employee to receive, accept, offer, or agree to receive or accept, or ask for a promise or pledge of a gift or kickback from a Vendor if done with the intent to influence any of the following actions by UTA:
 - a. Award a contract or grant;
 - b. Make a procurement decision;
 - c. Take an action relating to the administration of a contract or grant.
2. Even where the employee does not have the specific intent described in the preceding paragraph, a UTA employee may not knowingly receive accept, take seek

or solicit (either for the employee or for another person or entity) a Gift of any value from a Vendor.

3. Gifts that are perishable or not practical to return may be shared with co-workers on an occasional basis, but notice should be provided to the source of the Gift that future gifts should not be provided to any UTA employee.
4. If an employee receives a prohibited Gift, the employee may return the Gift or pay its fair market value to the person or entity providing the Gift.
5. For purposes of this gift restrictions described in this Policy, "Employee" also includes the employee's family members.

D. Meals for Employees

1. Subject to certain exceptions described below, an employee may not accept any meals from a Vendor. Under no circumstances shall an employee solicit or accept a meal with the intent to allow acceptance of the meal to affect a procurement related decision.
2. Nevertheless, an employee may accept a meal offered under the following conditions:
 - a. Meals Provided in the Ordinary Course of Business Meeting (as defined in the Definitions Section)
 - b. The meal is part of a conference or event in which:
 1. The cost of the meal is included in the normal registration fee paid by UTA on behalf of the employee, or;
 2. The employee has been invited by another entity to participate in the conference or event, such as receiving an award or recognition for public service; or
 3. The employee has been asked by UTA to represent UTA at the conference or event.
 - c. The meal is offered as part of a normal business meeting or event between UTA and the following entities and is generally made available to all participants:
 1. A government entity, such as a city or county
 2. An organization or association, including a professional or educational association, or an association of vendors, such as the Chamber of Commerce
 3. An association composed of public agencies or public entities that does not as an organization or association respond to solicitations
 - d. Employees who are required to pay for work-related meals under this Policy should seek reimbursement pursuant to Policy No. 1.1.8 – UTA Travel and Reimbursement Policy.

E. Meals and Gifts to Local Officials

1. UTA employees shall only provide meals and gifts to Local Officials under one of the following circumstances:
 - a. Food or beverage has a value less than the daily meal allowance for in-state travel contained in the Utah State Food Reimbursement Rate found at Utah Administrative Code R25-7-6.

- b. Food or beverage provided at an event, tour, or a meeting where the Local Official is giving a speech, participating in a panel discussion, or presenting or receiving an award.
- c. The item to be provided has a value of less than \$10. (This amount is applicable to only non-food and beverage items).

F. Financial Disclosures.

1. Designated Employees must submit a Form as follows:
 - a. Within thirty days from date of hire, and each calendar year on or before October 31 throughout the term of employment, all Designated Employees shall complete and sign a Form. The current Form is available on the UTA Intranet (utanet) on the Internal Auditor's site at: <http://utanet/administration/departments/internalaudit>
 - b. Designated Employees shall provide a copy of the Form to the Ethics Officer.
 - c. Form is classified as Public Records.
 - d. Notification of requirements or failure to respond shall be given by e-mail (with a copy to the employee's supervisor), with a 5-business day opportunity to file a Form.
 - e. Failure to completely fill out, sign, and return a Form, by the extended deadline described immediately above, shall be cause for employment action, up to and including termination as determined by the Ethics Committee.
 - f. Designated Employees must complete a new Form within 10 business days of:
 - (i) the occurrence or discovery of any new actual or apparent Conflict of Interest arising since the most recent Form; or
 - (ii) any material change in the information previously disclosed in the most recently completed Form.
2. Review of Forms
 - a. All Forms submitted by UTA employees shall be reviewed - in confidence - by one of the following: Director of Internal Audit or designee and Compliance Officer.
 - b. If a reviewer determines that there may be a Conflict of Interest disclosed in a Form, the reviewer shall submit the Form to another reviewer for review. The two reviewers shall then meet and confer regarding the potential Conflict of Interest. If the two reviewers agree that there is a Conflict of Interest, the two reviewers shall confidentially report the conflict to the Ethics Committee. The Ethics Committee shall arrange a meeting with the individual filing the Form, to clarify and discuss the conflict. The Ethics Committee shall then determine the appropriate action. Such action may include, by way of example only:
 1. Directing the employee to divest the conflicting asset, liability, position or agreement;
 2. Requiring the employee to be walled-off and segregated from any communication about or work on, the conflicting UTA issue;
 3. Terminating the employee.
3. Ethics Committee Review. The Ethics Committee shall meet on an as-needed basis to discuss potential conflicts of interest or violations of the Policy.

G. Requests for Donations

1. UTA employees may not solicit donations from Vendors that exclusively benefit UTA employees. For example, employees may not solicit donations for UTA social functions.
2. Employees may solicit donations from Vendors for functions that benefit the community. For example, employees may solicit donations supporting Disadvantaged Business Enterprise workshops offered to business owners along the Wasatch Front.
3. This Policy does not apply to contributions solicited from UTA employees under Policy 1.1.1 – Charitable Solicitations.

H. Disclosures of Information

Employees are prohibited from disclosing or improperly using Controlled, Private or Protected Information acquired by reason of an official position held at UTA or while carrying out UTA duties. The employee should consult with UTA's Records Manager regarding the classification of information.

I. Political Activity

UTA employees may not:

1. Be candidates for Public Office unless the employee takes a leave of absence from UTA while a candidate for office.
2. Use official authority or influence to interfere with or affect the results of an election or nomination,
3. Directly or indirectly coerce contributions from subordinates in support of a political party, candidate, ballot issue, or political campaign, or
4. Use UTA facilities or equipment to promote a candidate for public office.

J. Restrictions Related to Former Employees

The Board of Trustees must approve the award of any contract or amendment for any goods or services with entities that hire former employees or who are represented by former employees where the former employee left UTA employment within the previous 12 months. The contract or amendment should not be approved if there is a strong appearance that hiring the former UTA employee has given or would give the Company an unfair competitive advantage in either receiving the contract or in the performance and management of the contract. The Chief Procurement Officer shall provide a recommendation for consideration by the Board of Trustees.

K. Fraud

1. Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Any irregularity that is detected or suspect must be reported in line with section L (Reporting Suspected Ethical or Fraud Violations).
2. Employees shall not misuse UTA's assets for personal gain or willfully misappropriate the Authority's assets. Employees found to be engaging in fraudulent activities or theft may be subject to employment action up to and including termination.
3. Actions constituting fraud include, but are not limited to:
 - a. Misappropriation of funds, securities, supplies, or other assets
 - b. Impropriety in the handling or reporting of money or financial transactions

- c. Profiteering as a result of insider knowledge of company activities
- d. Disclosing confidential and proprietary information to outside parties
- e. Accepting or seeking anything of value from contractors, vendors, or persons providing services/goods to UTA that is in contradiction with the Ethics Policy
- f. Destruction, removal, or inappropriate use of records, assets, or other equipment

L. Reporting Suspected Ethical or Fraud Violations

1. Employees must report suspected ethics or fraud violations. Any employee having knowledge or reasonable suspicion of ethical violations has a responsibility to report such improprieties via one of the channels identified in (L)(B2)(e). The reports should include as much information as possible. The following suspected improprieties that should be reported include, but are not limited to:
 - a. Procurement fraud or collusion involving contracts or purchases with UTA contractors, subcontractors or Vendors
 - b. Abuse, embezzlement, or theft of UTA property or funds
 - c. Bribery and acceptance of gratuities or other benefits in connection with UTA operations or transactions with Vendors, contractors, and subcontractors
 - d. Misuse of an employee's official position through acceptance of Gifts
 - e. Conflicts of Interest, such as an employee doing business with UTA under a different name
 - f. Other unethical or illegal activities involving UTA property, employees, contractors, subcontractors or Vendors, such as check fraud or violation of computer crime statutes
 - g. Participation in a UTA matter in which the employee has a Personal Financial Interest
2. Investigation Procedures

UTA will investigate all reported ethical violations. An administrative investigation may be performed by either Human Resources, Civil Rights, or Internal Audit, depending on the nature of the ethical violation. The Compliance Officer will support the investigating department in the investigation process. Investigations will be conducted in the strictest confidence, and witnesses participating in those investigations shall be protected from disclosure to the extent allowed by law. Where deemed appropriate, the investigator may consult with UTA legal counsel for advice and counsel which may also protect the investigative process under the Attorney-Client Privilege.

 - a. Reporting Ethical Violations. Ethics violations may be reported in the following ways:
 1. Anonymous Ethics Hotline
 2. Ethics violations link on the UTA intranet
 3. Employee's manager (If the incident is reported to the employee's manager, the manager must report the incident to the Ethics Officer or Compliance Officer immediately).
 4. Ethics Officer
 5. Compliance Officer
 6. Human Resources Department
 7. Civil Rights Department

b. Anonymous Ethics Hotline

1. The Ethics Hotline is established by UTA through a third-party vendor that provides a means for employees to anonymously report serious concerns relating to unethical conduct.
2. The vendor maintaining the Ethics Hotline will not disclose the identity of a Reporter to anyone in UTA, if the employee wishes to remain anonymous.
3. All concerns reported on the Ethics Hotline will be reviewed.
 - a. The action taken by UTA in response to a report will depend on the nature of the concern.
 - b. Initial inquiries will be made to determine whether an investigation is appropriate and, if so, the form that it should take. Some concerns may be resolved without the need for an investigation.
 - c. If an investigation is appropriate, it will be assigned to an internal or external investigator who will conduct an investigation and make findings.
4. The malicious use of the Ethics Hotline will be investigated and may result in disciplinary action.
5. Concerns relating to unethical conduct should be reported in one of the following ways:
 - a. Website: www.lighthouse-services.com/rideuta
 - b. English speaking: 833-940-0009
 - c. Spanish speaking: 800-216-1288 iv. E-mail: reports@lighthouse-services.com (must include UTA's name with report)
 - d. Fax alternative for written documents: 215-689-3885 (must include UTA's name with report)
6. Reports should provide sufficient information to establish that there are grounds for a concern. In addition, concerns should be reported as soon as possible because the earlier a concern is expressed, the earlier it will be to provide a meaningful review of it.

M. Retaliation Prohibited

1. An employee who in good faith makes a report of fraud, waste, abuse, unethical, illegal conduct and violations of UTA policies will not be retaliated against for making a Report.
2. Witnesses who participate in good faith in investigations into fraud, waste, abuse, unethical, illegal conduct, and violations of UTA policies will not be retaliated against.
3. Any good faith Report, concern, or complaint is fully protected by this Policy, even if the Report, concern, or complaint is not substantiated after an investigation.
4. For ethical concerns raised in good faith, a Garrity warning will not be used with UTA Police Officers to determine the identity of an anonymous complaint.
5. Upon the request of the Reporter, UTA will use its best efforts to protect the confidentiality of a Reporter.

N. Ethics Violations

1. An employee violating this Policy will be subject to disciplinary action as set forth in Policy 6.3.1 – Positive People Management.
2. The Ethics Policy is intended to be simple and reasonable. A claim of lack of knowledge or understanding of the policy will not be accepted as an excuse for ethical violations. If an employee is uncertain whether an action will violate the Ethics Policy, the employee should contact the Compliance Officer or the Ethics Officer before taking the action. The decision tree attached as Appendix A provides a tool for assessing ethical considerations prior to making a decision that could result in an ethical violation.

O. Ethics Training

Each employee of UTA must periodically complete an ethics training program approved by the Ethics Officer and, by the deadline set by the Ethics Officer, certify that such training has been completed. Employees will receive written notification informing them when they must complete Ethics training.

1. Guidelines Regarding Ethics

- a. The following guidelines can also help make ethical decisions that may not be addressed by the policy:
 1. Put loyalty to the highest moral principles above loyalty to persons or organizations.
 2. Uphold the constitution, laws and legal regulations of the United States.
 3. Give a full day's labor for a full day's pay.
 4. Seek and employ more efficient and economical ways of accomplishing tasks.
 5. Never discriminate unfairly by dispensing of special favors or privileges to anyone whether for remuneration or not.
 6. Never accept favors or benefits under circumstances which a reasonable person might construe as influencing the performance of the employee's duties.
 7. Never use any information received confidentially in the performance of duties as a means for making private profit for themselves, friends or family.
 8. Report corruption wherever discovered or suspected.

P. Report to Board of Trustees

The Ethics Officer shall report on this Policy to the Board of Trustees as requested.

4) Cross-References.

- Corporate Policy No. 1.1.8 – UTA Travel and Reimbursement Policy
- Corporate Policy No. 1.1.1 – Charitable Solicitations.
- Corporate Policy No. 6.3.1 – Positive People Management.

This UTA Policy was reviewed by UTA’s Chief Officers on June 1st, 2021, consented by the Board of Trustees on 6/23/2021, and approved by the Executive Director on 6/24/2021. This policy takes effect on the latter date.

DocuSigned by:

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 Ron Ellis, Director Internal Audit
 Accountable Executive

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 Carolyn M. Gonot
 Executive Director

Approved as to form and content:

DocuSigned by:

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 Counsel for the Authority

History

Date	Action	Owner
11/23/2003	Revised – Ethics SOP	
12/5/2005	Revised – Ethics SOP	
5/3/2016	Revised, Renamed, and Converted from a SOP to Corporate Policy 1.1.11 Ethics	
12/5/2017	Revised - Corporate Policy 1.1.11 Ethics	
5/29/2019	Revised - Corporate Policy 1.1.11 Ethics	Ethics Officer
4/29/2020	Revised UTA Policy 1.1.11 and rescind Corporate Policies 1.1.33 – Whistleblower Protection Policy and 6.1.13 – Anti Fraud Policy (which were included in Revised UTA Policy 1.1.11)	Ethics Officer
6/23/2021	Board Consent – UTA.01.01 Ethics UTA Policy	Ethics Officer
6/23/2021	Renumbered from 1.1.11 Ethics UTA Policy to UTA.01.01 Ethics UTA Policy	Ethics Officer
6/24/2021	Adopted - UTA.01.01 Ethics UTA Policy	Ethics Officer