

Chapter 25

ETHICS, CODE OF

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[HISTORY: Adopted by the Town Board of the Town of East Hampton 12-2-1977 as Ch. 8 of the 1977 Code. Amendments noted where applicable.]

§ 25-1. Legislative declaration. [Amended 10-1-1993 by L.L. No. 29-1993]

- A. Pursuant to the provisions of § 806 of the General Municipal Law, the Town Board of the Town of East Hampton recognizes that there are rules of ethical conduct which must be observed if a high degree of moral conduct is to be obtained and if public confidence is to be maintained in our unit of local government. It is the purpose of this local law to promulgate these rules of ethical conduct for the officers and employees of the Town of East Hampton. These rules shall serve as a guide for official conduct of the officers and employees of the Town of East Hampton.
- B. The rules of ethical conduct of this local law, as adopted, shall not conflict with, but shall be in addition to, any prohibition of Article 18 of the General Municipal Law or any other general or special law relating to ethical conduct and interest in contracts of municipal officers and employees.
- C. Pursuant to the provisions of § 811 of the General Municipal Law, the Town Board of the Town of East Hampton hereby promulgates an annual financial disclosure statement which shall be filled out by certain Town officials and appointees. By having such officials and appointees file financial disclosure statements, the Town Board seeks to prevent conflicts of interest, identify potential conflicts of interest, and resolve such conflicts of interest.

UNEMANCIPATED CHILD — Any son, daughter, stepson or stepdaughter who is under the age of 18, unmarried and living in the household of the reporting individual. **[Added 10-1-1993 by L.L. No. 29-1993]**

§ 25-3. Conflicts of interest prohibited.

A. Except as provided in § 25-4 of this code and § 802 of the General Municipal Law: **[Amended 7-5-1991 by L.L. No. 14-1991; 10-1-1993 by L.L. No. 29-1993]**

- (1) No municipal officer or employee shall have an interest in any contract with the municipality of which he is an officer or employee when such officer or employee, individually or as a member of a board, has the power or duty to:
 - (a) Negotiate, prepare, authorize or approve the contract or authorize or approve payment thereunder;
 - (b) Audit bills or claims under the contract; or
 - (c) Appoint an officer or employee who has any of the powers or duties set forth above; and
- (2) No chief fiscal officer, treasurer or his deputy or employee shall have an interest in a bank or trust company designated as a depository, paying agent or registration agent or for investment of funds of the municipality of which he is an officer or employee.
- (3) No person shall serve as a Town of East Hampton Town Board member and at the same time hold the position of chairperson or vice-chairperson of the Town, County, state or national committee of a duly recognized political party or any subdivision thereof. No person shall hold an appointive office on the Town of East Hampton's Planning Board, Zoning Board of Appeals, Architectural Review Board, Board of Assessment Review, Community Preservation Fund Committee or Housing Authority and at the same time hold a position as a committee member of the Town, county, state or national committee of a duly recognized political party or any subdivision thereof. For purposes of this section, a person holding the office of chair, vice-chair, secretary, treasurer or any other officer of any of the aforementioned committee(s) shall be deemed to be a member of such committee(s). Persons holding such political offices and elective or appointive Town offices at the time of enactment of this statute may continue to hold such offices and perform the duties thereof until the completion of their existing terms. **[Amended 12-15-1995 by L.L. No. 15-1995; 5-19-2005 by L.L. No. 17-2005]**
 - (a) Any person who is a member of the aforementioned political committee(s) shall deliver to the Town Clerk evidence of his or her resignation from said political committee(s) within five days of taking the oath of elective office or within five days of his or her appointment to one of the aforementioned appointive entities, whichever occurs first.
 - (b) Any person who is currently an elected Town official or a member of any aforementioned appointive entity and who is currently a member of any aforementioned political committee(s) shall deliver to the Town Clerk evidence

- (1) A contract with a corporation in which a municipal officer or employee has an interest by reason of stock holdings when less than 5% of the outstanding stock of the corporation is owned or controlled directly or indirectly by such officer or employee.
- (2)² A contract for the furnishing of public utility services when the rates or charges therefor are fixed or regulated by the Public Service Commission.

(Cont'd on page 2505)

² Editor's Note: Former Subsection B(2), Health services contracts, was repealed 10-1-1993 by L.L. No. 29-1993, which local law also renumbered former Subsections B(3) through (6) as B(2) through (5).

- (3) A contract for the payment of a reasonable rental of a room or rooms owned or leased by an officer or employee when the same are used in the performance of his official duties and are so designated as an office or chamber.
- (4) A contract for the payment of a portion of the compensation of a private employee of an officer when such employee performs part time service in the official duties of the office.
- (5) A contract in which a municipal officer or employee has an interest if the total consideration payable thereunder, when added to the aggregate amount of all consideration payable under contracts in which such person had an interest during the fiscal year, does not exceed the sum of \$100.

§ 25-5. Disclosure of interest.

- A. Any municipal officer or employee who has, will have or later acquires an interest in any actual or proposed contract with the municipality of which he is an officer or employee shall publicly disclose the nature and extent of such interest in writing to the governing body thereof as soon as he 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 body. Once disclosure has been made by an officer or employee with respect to an interest in a contract with a particular person, firm, corporation or association, no further disclosures need be made by such officer or employee with respect to additional contracts with the same party during the remainder of the fiscal year. **[Amended 10-1-1993 by L.L. No. 29-1993]**
- B. Notwithstanding the provisions of Subsection A of this section, disclosure shall not be required in the case of an interest in a contract described in Subsection B of § 25-4 hereof.

§ 25-6. Contracts void.

Any contract willfully entered into by or with a municipality in which there is an interest prohibited by this code shall be null, void and wholly unenforceable.

§ 25-7. Violations.

Any municipal officer or employee who willfully and knowingly violates the foregoing provisions of this code shall be guilty of a misdemeanor, as provided in § 805 of the General Municipal Law.

§ 25-8. Certain actions prohibited. [Amended 11-20-1998 by L.L. No. 39-1998; 6-6-2003 by L.L. No. 13-2003]

- A. No municipal officer or employee shall:
 - (1) Directly or indirectly, solicit any gift, or accept or receive any gift having a value of \$75 or more, whether in the form of money, service, loan, travel, entertainment,

- (4) A copy of the Town Clerk's annual filing with the State Legislature in which the Town Clerk reports whether or not the Town has a code of ethics in effect as of the filing date. Such filing is to be received by the State Legislature on or before the 15th day of February of each year.

§ 25-10. Posting of Code of Ethics.

The Supervisor of the Town shall cause a copy of this code 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 this code nor with the enforcement of the provisions thereof.

§ 25-11. Board of Ethics; powers and duties. [Amended 10-1-1993 by L.L. No. 29-1993]

- A. The Board of Ethics shall consist of seven members, one of whom shall be an elected or appointed Town officer or employee and the remaining six shall not be officers or employees of the Town. Such members shall receive no salary or compensation for their services. [Amended 3-1-2002 by L.L. No. 2-2002]
- B. The members of the Board of Ethics shall serve for four-year terms, said terms to be staggered. A member's term of office shall run from January 1 through December 31 four years hence. Appointments shall be made at the Town Board's annual organizational meeting, at which time the Town Board shall also appoint one member to serve as Chair and one member to serve as Vice Chair.
- C. The Town Attorney shall serve as counsel to the Board of Ethics, except he or she shall be excused when he or she or the Board of Ethics determines that he or she has, or may reasonably appear to have, a conflict of interest. In such event, substitute counsel shall be provided in a timely fashion.
- D. The Board of Ethics may make recommendations to the Town Board with respect to the drafting and adoption of the Code of Ethics or amendments thereto upon the request of the Town Board or upon the initiative of the members of the Board of Ethics.
- E. The Board of Ethics shall be the authorized repository for completed annual statements of financial disclosure which certain Town officials and appointees are required to file pursuant to § 25-14 of this chapter. The Board of Ethics shall have a designated location within the Town Clerk's office where such completed statements shall be kept.
- F. The Board of Ethics shall promulgate and operate under such rules and regulations as it deems reasonable and necessary to administer and fulfill its duties and functions as authorized in this chapter and in Article 18 of General Municipal Law. The Board of Ethics's rules and regulations shall be filed with the Town Board, and, unless rejected or modified within 30 days, shall be operative. Such rules and regulations shall include but not be limited to the procedure whereby a person who is required to file an annual financial disclosure statement may request an extension of time within which to file such statement, due to justifiable cause or undue hardship, as well as a date beyond which in all cases of justifiable cause or undue hardship no further extension of time will be granted.

- (1) If a reporting person has filed a financial disclosure statement which reveals a possible violation of this Code of Ethics or Article 18 of General Municipal Law, or if the Board of Ethics receives a sworn complaint alleging such a violation, or if the Board of Ethics determines on its own initiative to investigate a possible violation, the Board of Ethics shall notify the reporting person in writing, describe the possible or alleged violation of this Code of Ethics or Article 18 of General Municipal Law and provide the person with a fifteen-day period in which to submit a written response setting forth information relating to the activities cited as a possible or alleged violation of law.
- (2) If the Board of Ethics thereafter makes a determination that further inquiry is justified, it shall give the reporting individual an opportunity to be heard. The reporting person shall be entitled to a hearing according to due process procedures and subject to any applicable provisions of law and collective bargaining agreements.
- (3) If the Board of Ethics determines at any stage of the proceeding that there is no violation or that any potential conflict of interest violation has been rectified, the Board of Ethics shall so advise the reporting person and the complainant, if any. All of the foregoing proceedings shall be confidential.
- (4) If the Board of Ethics determines, pursuant to the hearing, that there is reasonable cause to believe that a violation has occurred, it shall send a notice of reasonable cause to the reporting person, to the complainant, if any, and to the Town Board. In its discretion, the Ethics Board may recommend to the Town Board disciplinary action. In addition, if the Board of Ethics determines pursuant to such hearing, that a reporting individual has knowingly and willfully failed to file an annual statement of financial disclosure, or has knowingly and willfully with intent to deceive made a false statement or given information that such individual knows to be false on a statement of financial disclosure filed pursuant to § 25-14, the Board of Ethics shall recommend to the Town Board an amount, not to exceed \$10,000, to be assessed against the reporting individual.
- (5) The Town Board shall receive the recommendation(s) of the Ethics Board. The Board may review the findings of fact and the record, if any, as shall be made available to it by the Ethics Board. The Town Board may take such disciplinary action, impose such penalties as provided in this chapter, or make a recommendation that the matter be referred to the appropriate prosecuting authority, as it deems to be appropriate and just. If the Town Board determines to assess a civil penalty, it shall provide the reporting person with a notice of civil assessment. Said assessment of civil penalty shall become final 30 days after the notice of civil assessment is issued.

K. Advisory opinions.

- (1) The Board of Ethics shall render advisory opinions solely to officers and employees of the Town with respect to this Code of Ethics and Article 18 of the General Municipal Law. Such advisory opinions shall be rendered pursuant to the written request of an affected individual officer or employee of the town, the initiative of the Board of Ethics or pursuant to a resolution of the Town Board. Such advisory opinions shall be rendered under such rules and regulations as the Board of Ethics may prescribe.

- (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.

(Cont'd on page 2511)

E. [Amended 10-1-1993 by L.L. No. 29-1993] The affidavit form to be submitted pursuant to Subsection A of this section 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 of 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 substantially correct.

The undersigned further states that no state officer, or employee of the Town of East Hampton (nor any such officer'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 stated. "Interest" is further defined in Section 25-12B of the East Hampton Town Code.)

.....
Signature

.....
Please Print Name

Sworn to before me this
day of, 19.....

.....
Notary Public, Suffolk County

§ 25-13. Further standards of conduct.

Every officer or employee of the Town of East Hampton shall be subject to and abide by the following standards of conduct:

- A. Disclosure of interest in legislation. To the extent that he knows thereof, a member of the Town Board and any officer or employee of the Town of East Hampton, whether paid or unpaid, who participates in the discussion or gives official opinion to the Town Board on any legislation before the Town Board shall publicly disclose on the official record the nature and extent of any direct or indirect financial or other private interest he has in such legislation.
- B. Investments in conflict with official duties. He shall not invest or hold any investment directly or indirectly in any financial business, commercial or other private transaction, which creates a conflict with his official duties.
- C. Private employment. He 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 official duties.

- D. [Amended 12-16-1994 by L.L. No. 17-1994; 12-15-1995 by L.L. No. 16-1995; 4-18-2002 by L.L. No. 8-2002] The annual statement of financial disclosure shall contain the information and shall be in the form set forth hereinbelow:

**ANNUAL FINANCIAL DISCLOSURE STATEMENT
FOR EAST HAMPTON ELECTED OFFICIALS
AND CERTAIN OTHER EMPLOYEES
FOR CALENDAR YEAR 20__**

Please answer each of the following questions completely. If a question is not applicable, please write N.A. If additional space is needed, please attach additional pages. Please print or type.

- 1. Name: _____
- 2. a. Title of position: _____
- b. Department, Agency or Board: _____
- c. Date first elected/appointed to said position: _____
- d. Daytime telephone number: _____
- e. Home telephone number: _____
- 3. a. Marital status. If married, please give spouse's full name (maiden name where applicable).

- b. List names of all unemancipated (under 18) children:

- 4. Real estate ownership. List the address, Tax Map number (section, block, lot) and use of each piece of property that you, your spouse and/or your unemancipated (under 18) children own in which such person has a financial interest including corporate or partnership interest.

Tax Map Number and Street Address	Owner(s), (Self, Spouse, Child)	State Use: (Vacant/Commercial Residential/ Industrial/Other)	Acreage
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Attach separate list, if necessary.

	Name and Address	Spouse's	
b.	of Employment	Position	Description

7. List any office, trusteeship, directorship, partnership or position of any nature, including honorary positions, whether compensated or not, held by you or your spouse in any corporation, association, partnership, proprietary or not-for-profit organization. Do not include memberships in any of the above.

a.	Position	Organization	Address
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b.	Spouse's		
	Position	Organization	Address

8. Business interests. List the name, principal address and general description of the nature of any business activity of a limited partnership, corporation or other business in which you or your spouse individually or jointly owns or controls more than a five-percent interest.

	Name of	Address	Nature of
a. Your	Business		Business
ownership:			

<hr/>	<hr/>	<hr/>

b.	Spouse's		
	ownership:		

<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

9. Other business relationships. List the name, principal address and general description or the nature of the business activity of any entity in which you or your spouse has an investment in excess of \$1,000, excluding investments in securities and mutual funds.

and Animal Health Technology; Pharmacy; Nursing; Podiatry, Ophthalmic Dispensing; Engineering and Land Surveys; Architecture; Landscape Architecture; Public Accountancy; Shorthand Reporting; Psychology; Social Work, Massage; Occupational Therapy; and Speech-Language Pathologists and Audiologists; describe in general terms the principal subject areas of your practice.

- 12. a. If you are a member of the Town Board, Board of Assessment Review, Architectural Review Board, Zoning Board of Appeals, Planning Board, Housing Authority or Licensing Review Board, or if you are regular legal counsel to one or more of the aforementioned boards, please list the names of any clients or customers who have applications currently pending before your board and/or who have had applications pending before your board within the last 12 months.

- b. With regard to the persons listed in 11.a., please describe the services rendered by you to said persons.

- 13. List any appearance you or your spouse made before a town agency or Board, representing a private interest, or any appearance made by you in any litigation brought against the town in the past year.

- a. List for yourself:

NAME OF BOARD, AGENCY OR COURT APPEARED BEFORE	NAME OF LITIGATION, APPLICATION OR TOPIC REGARDING YOUR APPEARANCE	TYPE OF WORK PERFORMED
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

- b. List for your spouse:

NAME OF BOARD, AGENCY OR COURT APPEARED BEFORE	NAME OF LITIGATION, APPLICATION OR TOPIC REGARDING YOUR APPEARANCE	TYPE OF WORK PERFORMED
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

- (4) Notices of civil assessment sent pursuant to § 25-11J(5).
- B. An annual statement of financial disclosure shall be available for public inspection on or after the first day of March of each year or after 30 days of submission of such statement, whichever shall occur later.
- C. Whenever an application for public inspection of financial disclosure statements is made, the Town Clerk shall provide a copy of such application to the town officer, appointee or employee whose statement is sought. The procedure for responding to such application for public inspection shall be that set forth in Article 7 of the Public Officers Law.

§ 25-16. Permissible claims or demands.

Nothing herein shall be deemed to bar or prevent the timely filing by a present or former municipal officer or employee of any claim, account, demand or suit against the Town of East Hampton, or any agency thereof on behalf of himself or any member of his family arising out of any personal injury or property damage or for any lawful benefit authorized or permitted by law.

§ 25-17. Penalties for offenses. [Added 10-1-1993 by L.L. No. 29-1993]

In addition to any penalty contained in any other provision of law, any individual who knowingly and willfully fails to file an annual statement of financial disclosure, or who knowingly or willfully, with intent to deceive, makes a false statement or gives information which such individual knows to be false on such statement of financial disclosure, or who is determined to have knowingly and willfully violated this Code of Ethics, may be assessed a civil penalty in an amount not to exceed \$10,000, may be suspended, dismissed, removed from office or employment, or otherwise disciplined, as the case may be, in the manner provided by law; provided, however, that no penalty may be imposed hereunder or under any other provision of the law in the event any amount or category of value which may be set forth in a financial disclosure statement is incorrect unless such reported information is knowingly understated.

§ 25-18. Severability. [Added 10-1-1993 by L.L. No. 29-1993]

The provisions of this chapter are severable. If any provision of this chapter or its application to any person or circumstances is held invalid, said invalidity shall not affect any other provision or application of this chapter which can be given effect without the invalid provision or application of the chapter.

§ 25-19. Effective date. [Added 10-1-1993 by L.L. No. 29-1993]

This local law shall take effect immediately upon filing with the Secretary of State as provided by law.