

**THE PORT AUTHORITY OF NY & NJ**

Lillian D. Valenti  
*Director, Procurement*

March 12, 2014

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

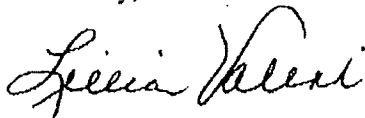
The Port Authority strives to maintain the highest levels of honesty, integrity, and public trust in all its endeavors. As such, I would like to take this opportunity to emphasize the Port Authority Zero Tolerance Policy regarding gifts, gratuities, business expenses, and offers of employment to our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



Lillian Valenti  
Director  
Procurement Department

2 Montgomery Street, 3rd Floor  
Jersey City, NJ 07302  
T: 201 395 7477

**GIFTS, GRATUITIES, BUSINESS EXPENSES,  
AND OFFERS OF EMPLOYMENT**

**I. Introduction**

The Port Authority has established a reputation as a public service agency with the highest standards of integrity. In order to maintain this reputation, it discourages any practice which might reflect unfavorably upon either itself or its staff.

**II. Instruction**

Port Authority employees are prohibited from:

- A. Offering gifts or gratuities of any kind to any individual or organization with whom we do business or are likely to do business.
- B. Accepting gifts of any kind from any patron, tenant, concessionaire, vendor, or from anyone else with whom we do business or are likely to do business; or accepting payment in any form for any services rendered to anyone with whom we do business or are likely to do business.
- C. Accepting cash discounts on merchandise or services obtained in any way connected with his/her, or a colleague's, employment at the Port Authority (except for discounts granted to employee organizations, other formal groups or to "Port Authority employees" as a generic classification).
- D. Accepting any favors of any kind, including entertainment, meals, transportation, etc., either free or at reduced rates from any patron, tenant, concessionaire, vendor or anyone else with whom we do business or are likely to do business.
- E. Accepting payment or reimbursement for, or permitting payment to be made on their behalf of, any expenses that would constitute business expenses, whether or not reimbursable by the Port Authority, that are incurred by such employee, including entertainment, meals, transportation, etc., from any patron, tenant, concessionaire, vendor or anyone else with whom we do business or are likely to do business.

- F. Soliciting, demanding, accepting, or agreeing to accept from any patron, tenant, concessionaire, vendor or anyone else with whom we do business or are likely to do business, an offer of employment, for himself or herself or for a member of the Port Authority employee's immediate family, which offer of employment is related in any way to the performance of the public duties and responsibilities of the Port Authority employee. This prohibition does not preclude consideration of the experience and expertise of a Port Authority employee by a prospective employer.

Patrons, tenants, concessionaires, vendors or anyone else with whom the Port Authority does business or is likely to do business, are prohibited from:

- A. Offering gifts of any kind or payment in any form to a Port Authority employee for any services rendered by the Port Authority employee.
- B. Offering cash discounts on merchandise or services connected in any way with a Port Authority employee's employment at the Port Authority (except for discounts granted to employee organizations, other formal groups or to "Port Authority employees" as a generic classification).
- C. Offering any favors of any kind, including entertainment, meals, transportation, etc., either free or at reduced rates, to a Port Authority employee.
- D. Offering payment or reimbursement for, or making payment on behalf of a Port Authority employee of, any expenses that would constitute a Port Authority employee's business expenses, whether or not reimbursable by the Port Authority, including entertainment, meals, transportation, etc.
- E. Extending an offer of employment, to a Port Authority employee or to a member of the Port Authority employee's immediate family, which offer of employment is related in any way to the performance of the public duties and responsibilities of the Port Authority employee. This prohibition does not preclude consideration of the experience and expertise of a Port Authority employee by a prospective employer.

### III. Interpretation

It is recognized that there may be rare occasions when the best interests of the Port Authority require that this Port Authority Instruction be varied. Questions pertaining to the application of this Administrative Instruction should be directed to an attorney designated by General Counsel ("Designated Attorney") under AI 20-1.15, "Code of Ethics and Financial Disclosure" (the "Code").

This Administrative Instruction is not intended to preclude:

- the offer or acceptance of items made available to the general public;
- 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 Attorney in the context of this Administrative Instruction and the Code;
- 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 under the Code;
- the offer or acceptance of awards, plaques, and other ceremonial items, provided such items are publicly presented, or intended to be publicly presented, and in recognition of service related to a Port Authority employee's official duties and responsibilities, and provided further that such awards, plaques, and other ceremonial items are of the type customarily bestowed at similar ceremonies and are otherwise reasonable under the circumstances;
- the offer or acceptance of nominal refreshments, such as nonalcoholic beverages and snacks, at a business meeting away from the employee's work location that is sponsored or co-sponsored by an actual or potential Port Authority business partner;
- gifts given to or received from a co-worker, a supervisor or a subordinate, provided that the gift is not excessive or inappropriate for a business environment, and provided, further, that supervisors are not to solicit gifts from their subordinates;
- distribution of Port Authority advertising material;
- the offer to or acceptance by Redcaps of tips;
- tipping by Port Authority employees for specific services when rendered;

- the entertainment by Port Authority employees of business guests, where this is the normal business practice and it does not conflict with the business practices of the employer of the outside person involved; or
- modest and appropriate retirement gifts received by an employee from outside entities.

**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.