

GENERAL POLICY AND POLICY GUIDELINES

CONFLICT OF INTEREST AND IMPROPER INFLUENCES

GENERAL POLICY

Each member, officer, agent and employee of the Illinois Housing Development Authority (the "Authority") has a responsibility to execute his or her duties on behalf of the Authority with the utmost integrity and in the highest ethical manner, free from any improper influence(*). Conflicting interests, regardless of whether they in fact affect the judgment or decisions of the individual in question, create an unfavorable impression and may raise an implication of impropriety.

It is the policy of the Authority that its members, officers, agents and employees (i) refrain from acting in ways which are actually or potentially detrimental to, or in conflict with, the Authority's interests, (ii) remain free of interests or relationships with others that will or can reasonably be expected to lead to such detrimental effects or conflicts, and (iii) avoid improper influences or circumstances which compromise their integrity or their ability to exercise independent judgment for the best interests of the Authority.

A conflict of interest occurs when the individual interest of a member, officer, agent or employee of the Authority conflicts with his or her Authority duties or responsibilities, or when he or she participates or seeks to participate in, or influence an Authority decision in which the employee has an economic interest. No member, officer, agent or employee shall engage in any activity if such activity will create such a conflict of interest.

POLICY GUIDELINES

Without limiting the foregoing General Policy, the Authority and its members, officers, employees and agents (where noted) must comply with the following guidelines.

1. Members, officers, agents and employees of the Authority are prohibited from being an officer, director, or owner of more than seven and one-half percent (7-1/2%) of any corporation, partnership, trust or other entity which is a party to a contract or agreement upon which the member, officer, agent or employee may be called upon to vote or to participate in any manner in

(*) The term "agent" as used in these General Policy and Policy Guidelines, means a person authorized by the Authority to act for it, a person entrusted with the Authority's business. Nothing contained herein is intended to limit the Authority's ability to communicate with an agent's employer or business.

the discussion.

2. Members, officers, agents or employees who have direct or indirect interests in contracts or agreements (other than the prohibited interests above) must disclose such interests to the Secretary of the Authority before the Authority takes final action on the contracts or agreements. The interested members, officers, agents, or employees shall thereafter refrain from further official involvement in regard to the contracts or agreements, voting on any matter pertaining to the contracts or agreements and communication with other members, officers, agents or employees of the Authority concerning the contracts or agreements.
3. Members, officers and employees of the Authority must annually disclose to the Authority, on forms and at times prescribed by the Authority, real estate to which they are the legal or beneficial owners. Such real estate may not be purchased by the Authority, or by a not for profit corporation or a limited profit entity for a development to be financed by the Authority.
4. The Authority's members, officers and employees, and members of their immediate families, are prohibited from having a direct economic interest in the construction, sale, purchase or management of any property involving the Authority. Additionally, Authority members, officers and employees are required to disclose any indirect or non-economic interest they have or a member of their immediate family has in any property involving the Authority, including any affiliation between an immediate family member and any entity or organization which is involved in the construction, sale, purchase, development or management of such property. In those instances where an immediate family member is affiliated with an entity or organization constructing, selling, purchasing, developing or managing a property involving the Authority, the related member, officer or employee is prohibited from taking any action with respect to said property.
5. Members, officers and employees of the Authority must timely file all submissions required by law or scheduled by the Authority in accordance with the provisions of such law or schedule.
6. The Authority's members, officers and employees, and members of their immediate families, are prohibited from accepting cash, gifts, loans, special accommodations, hospitality, entertainment, favors, services, use of property or facilities, gratuities or other economic benefit from individuals, firms, organizations, or other entities, who may or do conduct business with the Authority or from whom it could reasonably be inferred that a major purpose of the donor is to influence the recipient in the performance of his or

her duties to the Authority. The foregoing policy guideline shall not preclude an individual from accepting (i) loans in the normal course of business from commercial lenders at the going market rate; (ii) hospitality or entertainment of a nominal nature provided as a courtesy under open circumstances that do not reflect on the integrity of the individual; (iii) a meal at which business of the Authority is discussed or which follows the transaction of business by the Authority; (iv) a token of appreciation or a memento of an Authority transaction if the value of the item or items received from any single source in any calendar year do not exceed \$50.

7. No employee of the Authority shall engage in outside employment which is incompatible with the performance of the employee's duties to the Authority.
 - (a) Incompatible outside employment includes but is not limited to the following:
 - (i) Outside employment that encroaches on the employee's time, energies or attention which should be devoted to the activities of the Authority or otherwise adversely affects the employee's performance or work for the Authority;
 - (ii) Outside employment or activities that violate any federal or state statute, local ordinance or applicable Executive Order;
 - (iii) Outside employment which involves acceptance of any type of compensation when such acceptance might result in or create the appearance of a conflict of interest; and
 - (iv) Outside employment which would involve any developers, contractors or other entities that perform work for the Authority (or Authority projects) that might gain an advantage in its dealings with the Authority through the employee's exercise of his or her duties.
 - (b) No employee may perform work related to outside employment during Authority business hours or perform work related to outside employment using Authority property or equipment.
 - (c) Any employee who intends to engage in any type of outside employment shall disclose to the Authority such employment within seven (7) days of accepting said employment by filing an amended annual Disclosure Statement. The disclosure should include the type of work being performed, the name of the person or organization for

which the work is to be done, the approximate hours and days to be worked, and the time period of employment, if any. Other information related to the employee's outside employment may be requested as necessary. This disclosure should continue as part the employee's annual Disclosure Statement and be updated if outside employment changes.

- (d) All employees who maintain outside employment shall certify that:
 - (i) said employment is not incompatible with his or her duties for the Authority as set forth in Paragraph 7(a) above and (ii) employee will not perform work related to outside employment during Authority business hours or using Authority property or equipment.
- 8. Members, officers and employees are prohibited from soliciting, accepting or offering any compensation, including money or illegal payment of any type, designed to influence the outcome of any award or decision.
- 9. Members, officers and employees of the Authority are prohibited from accepting any economic opportunity under any circumstances where they know or should know that there is a substantial possibility that the opportunity is being afforded to them with the intent to influence their conduct in the performance of their official duties.
- 10. No employee of the Authority, while being compensated by the Authority, shall engage in any political activities during regular business hours. Such political activities include, but are not limited to, the solicitation of money from an Authority employee, consultant or any other organization or person doing business with the Authority. At no time, may any political activities be conducted upon Authority premises.
- 11. Members, officers and employees of the Authority are prohibited from disclosing, using or taking Confidential Information acquired in the course of their official duties in order to further their own economic interests, or for any purposes unrelated to performing their official duties, during their service with the Authority and at any time subsequent to their service with the Authority.

Confidential Information is information which is not otherwise known to the public and:

- Any work product, including, but not limited to, information received from all sources and all written, oral and electronic reports, memoranda and analyses prepared in the course of a member's, officer's, agent's and employee's official duties at the Authority.
 - Confidential Information may include any information belonging to third parties that is submitted to the Authority for official purposes.
 - Confidential Information means Authority information known or gained by a member, officer, agent or employee during the course of association or employment with the Authority other than that which can be obtained pursuant to the Illinois Freedom of Information Act (5ILCS 1701/1 et seq.), as amended from time to time, as determined by the designated FOIA officer of the Authority.
12. Members, officers and employees are expected and have an affirmative obligation to promptly report to the Authority's Executive Director or General Counsel any violations of this Policy by any person when such a violation becomes known.
 13. Nothing herein shall authorize, approve, waive or otherwise condone or permit the violation by any member, officer, agent or employee of any statute, rule, regulation or other law binding on such individual.
 14. If any person is unsure or has a question concerning any matters in this Policy or the application of this Policy to a particular matter, such person shall contact the General Counsel of the Authority.
 15. Violations of this Policy will result in discipline by the Authority that may include termination of the offending employee.