

SEIU Code of Ethical Practices and Conflict of Interest Policy

A Summary of the SEIU Code of Ethical Practices and Conflict of Interest Policy

The Service Employees International Union ***Code of Ethical Practices and Conflict of Interest Policy (Code of Ethics)*** is grounded in SEIU's moral purpose and values as spelled out in the SEIU Constitution and Bylaws: a belief in the dignity and worth of workers, a dedication to improving the lives of workers and their families, and the pursuit of justice for all. SEIU members do some of the toughest jobs anywhere, and their dues should be administered with the toughest insistence on honesty, integrity and openness.

Union members place tremendous trust in their leaders. SEIU elected officers, managers and staff owe not just fiduciary obligations to union members but, given the moral purpose of our mission, they owe members the highest level of ethical behavior in decision-making and financial dealings. Members have a right to have proper stewardship over union resources and transparency in the spending of union dues. Misuse of funds or leadership authority undermines the confidence members have in the Union and weakens it. **Corruption in all forms will not be tolerated.**

What is the Code of Ethics?

The Code of Ethical Practices and Conflict of Interest Policy strengthens the Union's ethics rules and standards and helps the Union to accomplish its mission. The Code and policies enable SEIU to meet the ethical challenges that we face as we pursue our ambitious goals. They are intended to give Union members, leaders, and staff a belief in SEIU's commitment to achieve the highest ethical standards. By holding officers and managers accountable, these policies promote the Union's mission of justice for all.

What Does the Code Do?

No code of ethics can prevent some individuals from violating ethical standards of behavior. The SEIU Code of Ethics is not the only answer to creating and maintaining an ethical culture within the Union. These ethics policies and procedures help ensure that SEIU's culture embodies and supports the highest ethical standards. Our strong stance against corruption and financial improprieties provides a foundation for the Union's high ethical aspirations.

To accomplish the goals for which the Code has been created requires systems of accountability. These systems include appropriate checks and balances and internal operating systems and procedures that minimize the opportunity for misuse or abuse, as well as the appearance of either, in spending union funds or exercising decision-making authority.

Who Is Subject to the Code?

Unethical behavior of any SEIU leader affects the whole Union and hurts all members. The Code of Ethical Practices and Conflict of Interest Policy applies to elected leaders, and management staff of locals and the International.

What is the Purpose of this Summary?

This plain language summary highlights important Code provisions and gives examples that you may encounter in your day-to-day work with other members, staff, officers, service providers, vendors and employers. Every level of union leadership supports an unwavering belief that the ethical culture of SEIU can and should support transparency and the safeguarding of members' trust.

BUSINESS AND FINANCIAL ACTIVITIES OF SEIU, ITS OFFICERS AND EMPLOYEES

[Part B, Sections 5-11]

Duty to Protect Members' Funds

The assets and funds of SEIU are held in trust for the benefit of the membership. The membership must be assured that those assets and funds are spent properly.

Officers and managerial employees cannot own or have a substantial financial interest that conflicts with their fiduciary duty. They cannot knowingly have a substantial ownership or financial interest in any firm that engages in collective bargaining with SEIU or its affiliates. They cannot participate in or try to influence any decisions between SEIU and a firm that they own or in which they hold a substantial financial interest.

As an officer or manager, what kind of financial holdings are prohibited?

A "substantial ownership or financial interest" does not include stock in a purchase plan, a profit-sharing plan or an employee stock-ownership plan. Substantial ownership refers to any interest that is a significant part of an individual's financial well being or the size of the financial interest is so great that the officer or manager influences the business decisions. The Code does not preclude officers and managers of SEIU from owning publicly-traded shares of any employer through a mutual fund.

Officers or managers cannot engage in self-dealing transactions with SEIU or its affiliates, such as buying from or selling property to SEIU, without the informed approval of the affiliate or international Secretary-Treasurer after full disclosure that includes an independent appraisal.

Example: Local 662 has completed an IT upgrade and has 10 surplus monitors. The IT director wants to acquire one of the monitors. He must first determine the fair market value of the monitor, submit all documentation to the local's Secretary-Treasurer and, if approved, pay the fair market value to the union.

As part of the Union's commitment to financial transparency, with just cause any SEIU member can examine books, records and accounts that would verify the Union's publicly-filed financial reports.

Contracts and Gifts

Members must have absolute trust in the honesty of all SEIU dealings with vendors and employers. SEIU officers and managers cannot profit personally from any contracts.

Can I accept a holiday gift from SEIU vendors and service providers?

To avoid such breaches of trust, or the appearance of impropriety, no officer or managerial employee of SEIU can accept personal payments or gifts (unless they are of such small value as to be minimal) **from any employer** that engages in collective bargaining with SEIU or its Affiliates. Likewise, they cannot accept payments or gifts **from**

any business or professional firm that does business or seeks to do business with SEIU or any of its Affiliates, or from any member (unless they are of such small value as to be minimal). Gifts from members are only permitted if there is a personal relationship that is independent and outside of a union relationship. Items that cannot be returned, such as holiday perishables, should be discarded or placed in a common area for staff to enjoy.

Events hosted by public officials involving discussions about public affairs and contributions to campaigns for union office are not included in these prohibitions.

Taking of Union Funds

No officer or managerial employee of SEIU can convert or divert any funds or other property belonging to SEIU to the individual's personal use or advantage. For example, a local leader or management staff member cannot use union funds to buy an airline ticket for personal travel.

Loans

An SEIU local, affiliate or the International cannot make loans to any officer, staff member or any of their family members in excess of \$2,000 total to each person.

BENEFIT FUNDS AND RELATED ORGANIZATIONS

[Part C, Sections 12-15]

Duties and Prohibited Transactions

SEIU officers and managers who oversee retirement, health or welfare benefit plans must have an absolute commitment to high ethical standards. They cannot have any financial relationships with the investment managers, insurance carriers, brokers, or consultants that do business with or that seek to do business with the fund or plan. They cannot accept payments or personal gifts from such firms.

SEIU officers or managerial employees serving as employee representatives or trustees cannot receive compensation of any kind except for reimbursement of reasonable expenses. This expense reimbursement must be available to all representatives and trustees of the plan.

In addition to benefit funds, SEIU has relationships with many outside organizations with similar goals. Our participation in those organizations may require that they meet certain ethical standards. If 25% of their governing board is made up of SEIU officers or employees, or if 50% or more of their funding comes from SEIU, these organizations are considered “related organizations” and must give SEIU locals, or the International a copy of their code of ethics. If they do not have a code of ethics, they must adopt one for SEIU to continue the relationship.

SEIU officers and managerial employees must assist SEIU in safeguarding its separate legal status with respect to related organizations. SEIU, health and welfare funds, and other non-profit groups are separate organizations and one group should not pay obligations of another unless the paying organization approves.

Example: Local 662 provides 75% of the funding for Americans for Change Now, a 501(c)3 non-profit organization devoted to achieving healthcare reform. The organization owes a media consultant \$10,000. Local 662 cannot pay the bill unless the local approves the payment.

PERSONAL RELATIONSHIPS AND PROHIBITED CONDUCT

[PART D, Sections 16-18]

Family and Personal Relationships

Can relatives of SEIU staff members work for SEIU or its vendors?

Family and personal relationships cannot influence professional interactions between employees and vendors or potential vendors. SEIU does not prohibit employment of qualified relatives of current officers or employees, or of individuals with whom an employee is having a romantic or intimate personal relationship. SEIU also does not prohibit the hiring of qualified vendors that are owned by or employ relatives of SEIU employees, or those with whom an employee is having a personal relationship. **However, the existence of such relationships can lead to problems, including favoritism or the appearance of favoritism.** Giving relatives or personal relations special treatment – or creating that impression – is inconsistent with our principles and our duty to responsibly conduct the business of SEIU.

Who qualifies as a relative?

For purposes of this Code of Ethics, “relative” means parent, spouse, spousal equivalent (including domestic partners) or dependent child of that relationship, grandparent, grandchild, brother, sister, first or second cousin, corresponding in-law, “step” relation, foster parent, foster child, or any member of the employee’s household. “Personal relationship” means an ongoing romantic or intimate personal relationship that can include dating, living together, or being a significant other. This applies to heterosexual, gay and lesbian relationships. “Employee” includes officers.

Prohibited Conduct

Applications for employment by relatives and those who have a personal relationship with an SEIU employee or vendor cannot be evaluated differently from other applicants. Officers, managers and supervisors cannot make any hiring decisions about their relatives or a person with whom they have a personal relationship, or attempt to influence hiring decisions made by others.

Can relatives or those involved in personal relationships ever work together?

Example: The cousin of the local’s staff attorney is looking for a job. The staff attorney cannot submit her cousin’s resume to fill a vacancy in the research department. By doing so she would be influencing his hiring. The cousin should submit his own resume directly.

A supervisory employee cannot supervise a relative or a person with whom he or she has a personal relationship. Relatives or employees who have personal relationships are permitted to work in the same department, provided no direct reporting or supervisor-to-subordinate relationship exists.

Example: The head of the organizing department is on leave and a staff person becomes acting supervisor and has to evaluate all department staff. The acting head’s daughter also works in the organizing department. While the initial hiring of the daughter is permitted under the Code, the acting head cannot evaluate or take any supervisory action with respect to his daughter.

No employee, including officers, managers and supervisors, can make work-related decisions involving his or her relative or employee with whom he or she has a personal relationship, even if he or she does not directly supervise that person. This includes decisions about hiring, wages, hours, benefits, assignments, evaluations, training, discipline, promotions, and transfers.

Example: The local Secretary-Treasurer's son works in the political department. She can't ask her son's supervisor if he can be given leave so he can go on a family vacation.

Exceptions to these rules are only permitted if approved in writing by the Department/Program Head and the Human Resources Director.

ADDITIONAL REQUIREMENTS AND PROHIBITIONS

[PART E, Sections 19-21]

Persons Convicted of Felonies

No one can serve as an officer or managerial employee of SEIU who has been convicted of any felony involving bodily injury or of any felony involving abuse of his or her position in a labor organization. Conviction of other criminal offenses may also disqualify individuals from serving as union officers or employees under Federal law.

Because SEIU must maintain the highest ethical standards, failure to fully cooperate with an investigation or a proceeding involving an alleged violation of our Code of Ethics is in itself a violation of the Code.

Example: The local Vice President is suspected of using union funds to pay for a personal hotel stay. The director of the local's travel department was seen with the officer at the hotel on the date in question, but refuses to discuss it with the local's legal counsel who is investigating the matter. The travel director's refusal to cooperate violates the SEIU Ethics Code.

Compliance

Every officer and managerial employee must acknowledge every year that he or she has received a copy of the Ethics Code and Policy, has read and understands the Code, and agrees to comply with the Code.

What do I do if I have a potential conflict of interest?

Each officer or managerial employee must disclose to the **Ethics Ombudsperson**, who is part of the SEIU Legal Department, or the **Affiliate Ethics Liaison**, who serves as each local's resource for ethics advice and questions, any interests, transactions, or relationships that give rise to a potential conflict of interest at the time when such potential conflict occurs. (See the section below on Enforcement for more information on these positions.)

Example: A local Secretary-Treasurer has begun a romantic relationship with a partner in the local union's accounting firm. The Secretary-Treasurer must disclose that relationship to the Ethics Liaison or the Ethics Ombudsperson at the time that the romantic relationship begins.

The Ethics Ombudsperson conducts periodic reviews to monitor compliance with the SEIU Code of Ethics. Such reviews consider whether partnerships, joint ventures, and arrangements conform to this Code and are properly recorded, that payments for goods and services are reasonable, and that any relationships do not result in impermissible private benefits or excess benefits.

PROTECTION OF WHISTLEBLOWERS

[Part F, Sections 22-23]

Freedom from Retaliation

If I file a complaint, will SEIU protect me from retaliation by my supervisor?

SEIU encourages all employees to bring to the attention of the Union any concern that the Ethics Code and Policy has been violated. Inquiries and complaints can be submitted to the Ethics Ombudsperson or your Affiliate Ethics Liaison. Such allegations will be referred for appropriate action or investigation. After an investigation, if a violation is found to have occurred, then appropriate disciplinary and corrective action will be taken. **SEIU expressly prohibits retaliation against employees for making good faith complaints, reports or inquiries under this Code and Policy.**

Any act of alleged retaliation should be reported immediately to the Ethics Ombudsperson or the Local Ethics Liaison and will be promptly investigated. SEIU will discipline persons who retaliate or who make bad faith, knowingly false, or harassing complaints, reports or inquiries.

Example: John, a member of the SEIU International staff, files a complaint with the Ethics Ombudsperson alleging that his supervisor has received a Rolex watch from an employer of union members. His supervisor finds out about the complaint and demotes John. The demotion violates the Ethics Code and John should notify the Ethics Ombudsperson.

Confidentiality

How will my identity be protected if I file a complaint?

SEIU treats all ethics-related communications confidentially. Exceptions include any communication that is necessary to conduct a complete and fair investigation or when disclosure is authorized by the complainant. **SEIU will keep the identity of the person filing the complaint confidential** unless the person authorizes the disclosure or it is necessary to disclose for SEIU to carry out its fiduciary or other legal duties.

Example: Alicia is a Local 662 internal organizer whose sister works for a software company that does business with the local. Alicia learns through her sister that the software company has given an expensive gift to the IT director. Alicia tells the Affiliate Ethics Liaison and in the course of the investigation the software company admits the gift and provides backup. The IT Director demands to know the identity of the person who filed the complaint. The local will protect Alicia's identity.

ETHICS ADVICE AND CODE ENFORCEMENT

[Part G, Sections 24-37]

Roles of Affiliate Ethics Liaisons, International Ethics Ombudsperson, and International Ethics Officer

The Affiliate Ethics Liaison, International Ethics Ombudsperson and International Ethics Officer each play a critical role in SEIU's ethics program.

Who should I contact first if I have an ethics-related question?

Each SEIU local and affiliate will have an **Affiliate Ethics Liaison** who serves as primary point of contact for ethics advice, training, and questions at each local. Local leaders and staff are encouraged to speak with their Affiliate Ethics Liaison if they have ethical concerns or suggestions for strengthening and promoting ethical practices in their local.

The **International Ethics Ombudsperson** is part of the SEIU Legal Department and has union-wide responsibility for directing training, providing assistance and support, and answering questions relating to the SEIU ethics program. The Ombudsperson advises the Liaisons.

The **International Ethics Officer**, who is not employed by the International Union or any of its Affiliates, helps implement and enforce the SEIU Code of Ethics. The Ethics Ombudsperson supports the work of the Ethics Officer.

Complaint Filing and Review Process

Where can I file a complaint?

Any member may file a signed, written complaint concerning violations of the Code and Policy. Complaints can be submitted to your Affiliate Ethics Liaison or to the International Ethics Ombudsperson whose address is on the SEIU website (www.seiu.org). The Ethics Ombudsperson reviews each complaint to determine whether it alleges a violation of the Code of Ethics, and what further actions should be taken. The complaint may be referred to the Affiliate Ethics Liaison for further processing or to the Ethics Officer. Such decisions are based on the nature of the allegations and the position held by the officer or employees who are the subject of the complaint.

What happens after I submit a complaint?

Complaints filed with or referred to a local are investigated by the local and may lead to employee discipline or formal internal union charges in accordance with the SEIU Constitution and Bylaws.

Example: Juan is an organizer for Local 622. A new organizing director is named and one of the organizers who she supervises is her daughter. Juan notifies the Ethics Ombudsperson. The Ethics Ombudsperson reviews the complaint, determines that it should be handled at the local level, and refers the matter to the Affiliate Ethics Liaison. The local will handle the complaint and will follow the rules for confidentiality as set out in the section above.

If the Ethics Officer finds that a complaint referred to him or her has merit, he or she may recommend a course of action to the International Union. The Ethics Officer could recommend:

- Further investigation by SEIU personnel or outside investigators
- Filing formal charges
- Assumption of original jurisdiction by the International President
- Appointment of an outside hearing officer to conduct a trial
- Discipline of covered employees
- Sanctioning of officers or members accused in formal proceedings

The Ethics Officer may also conclude that a complaint is frivolous or without merit, or that further investigation is not necessary. In every case the Ethics Officer will advise all relevant parties of his or her findings.

Charges against Members under the SEIU Constitution

Members, officers of affiliates or locals, and officers of the International Union may be formally charged under Article XVII of the SEIU Constitution and Bylaws or under similar provisions under the local's bylaws with violations of the SEIU Code of Ethics. These charges are handled in accordance with the procedures spelled out in the Bylaws.

Members' Right to Appeal

How can a member appeal a trial decision regarding an alleged ethics violation?

Officers and managers who are members and are formally charged and found to have violated the Code of Ethics following a trial conducted according to the Bylaws have the right to appeal any ethics sanctions to the International Executive Board. The Board will refer the appeal to an appeals committee. (Note: Managers who are **not** members are subject to discipline for violating the Code of Ethics and do not have a trial under Article XVII and do not have appeal rights under the SEIU Constitution.)

The appeals committee will review the record and will issue a recommendation to the SEIU Executive Board and the affected parties. If no objection is filed within 15 days of the committee's recommendation, the committee's recommendation becomes the final recommendation to the International Executive Board.

Objections to the appeals committee's recommendation can be filed with the **Ethics Review Board**, in care of the Ethics Ombudsperson. The Ethics Review Board is comprised of outside experts who are not employees of SEIU or SEIU Affiliates. The Ethics Review Board will then review the appeal and the record and make its own recommendation to the International Executive Board about the appeal.

In accordance with the Bylaws the International Executive Board will make the final determination regarding appeals from final trial decisions.

Ethics Questions and Additional Information

This summary of the **SEIU Code of Ethical Practices and Conflict of Interest Policy** and selections from the **SEIU 2008 Constitution and Bylaws** does not substitute for reading the full Code or Constitution. For the full text of these documents, go to the “Our Union” section of the SEIU website (www.seiu.org).

If you have any questions related to SEIU Code of Ethical Practices and Conflict of Interest Policy, the Ethics Ombudsperson and Affiliate Ethics Liaisons are available to help you make ethical decisions. You can find contact information for the Ethics Ombudsperson in the “Our Union” section on the SEIU website (www.seiu.org).

SEIU Constitutional Provisions Outside of the Code

SEIU believes in the dignity and worth of all workers. We have dedicated ourselves to the fulfillment of the SEIU mission and are committed to providing meaningful paths for member involvement and participation in our union. These are demonstrated by our Mission Statement and the Member Bill of Rights and Responsibilities which appear in our Constitution. The Code of Ethics is consistent with these statements.

SEIU Mission Statement

We are the Service Employees International Union, an organization of 2 million members united by the belief in the dignity and worth of workers and the services they provide and dedicated to improving the lives of workers and their families and creating a more just and humane society.

SEIU Member Bill of Rights and Responsibilities in the Union

SEIU is committed to providing meaningful paths for member involvement and participation in our Union. The SEIU Member Bill of Rights and Responsibilities in the Union is a significant source of SEIU members' rights and obligations.

Member rights include:

- The right to have opinions heard and respected, to be informed of union activity, to be educated in union values and union skills.
- The right to choose the leaders of the union in a fair and democratic manner.
- The right to a full accounting of union dues and the proper stewardship over union resources.
- The right to participate in the union's bargaining efforts and to approve union contracts.
- The right to have members' concerns resolved in a fair and expeditious manner.

Member responsibilities include:

- The responsibility to help build a strong and more effective labor movement, to support the organizing of unorganized workers, to help build a political voice for working people, and to stand up for one's co-workers and all workers.
- The responsibility to be informed about the internal governance of the union and to participate in the conduct of the union's affairs.
- The responsibility to contribute to the support of the union.
- The responsibility to treat all workers and members fairly.
- The responsibility to offer constructive criticism of the union.

Ethical Conduct With Respect to Elected Office Holders and Government Officials

SEIU officers and staff who deal with elected office holders, candidates for elected office and other government officials must in those dealings observe the highest standards of ethical behavior. They must strictly observe applicable lobbying and disclosure laws and the rules governing gifts and campaign contributions. Because these laws and rules differ from state to state, SEIU officers and staff are required to review their obligations under these laws and to seek advice whenever they have questions regarding those obligations. SEIU officers and staff should be guided by the following ethical standards:

- You should not give, or offer to give, anything of value to an office holder or other government official to influence any official act or as a reward for an official act.
- You should not provide benefits to a third party at the personal request of an office holder or other government official.
- Regardless of motivation, you should not give a gift, including meals, entertainment, paid travel and the like, to an office holder or government official unless the gift falls within a specific or clearly recognized exception to applicable gift rules.
- You should not assist office holders or government officials in any effort to use their position for private gain.
- You may not make a contribution of union or union PAC funds to a candidate, or permit a candidate to use union resources, without appropriate reimbursement otherwise violating applicable campaign finance laws.
- You may not reimburse individuals for their contributions to office holders or candidates with union funds.
- You should never give a campaign contribution to an officeholder in his or her office or in any government building. This is a violation of federal law and may violate state law as well. Similarly, you should not give or discuss campaign contributions with an office holder during a meeting in which the union is asking for the office holder's support on a legislative or executive matter. You may be creating the impression that the contribution is conditioned on or given in return for the office holder's support for the union's issue.