

1. PURPOSE

This document establishes a formal Code of Ethics for the employees of the Metropolitan Washington Airports Authority (the Authority).

2. DISTRIBUTION

This Code of Ethics is to be distributed to all Authority employees.

3. INTERESTS OF THE AUTHORITY

The Authority expects all employees to act in the best interests of the Authority at all times and to not knowingly engage in conduct that is illegal, dishonest, a conflict of interest or that brings discredit upon the Authority. In particular, those employees who obligate the Authority to spend money, approve payments, and make decisions affecting disbursements have a special duty to make their recommendations and decisions without prejudice, seeking to obtain the maximum value for the Authority.

For example, it would bring discredit upon the Authority if an Authority employee were to administer a contract for which his relative, e.g., his sister, was the project manager. Even though the employee would not have a Financial Interest prohibited by Section 5 below, such a situation would create at least the appearance of a conflict of interest. If the Authority employee failed to bring this situation to the attention of management, he could be disciplined under this section.

4. GIFTS

Gift means any payment, merchandise, gratuity, favor, discount, entertainment, hospitality, loan forbearance, anything having monetary value for which the recipient does not pay fair market value, rendering or deposit of money which is transferred to a donee directly or indirectly or in trust for his/her benefit or by any other means. The term includes, but is not limited to, gifts of services, training, transportation, tickets, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

- a. No employee shall solicit a gift, regardless of its value, when to do so reasonably creates the appearance of a conflict of interest or of influencing him or her in the performance of official duties.
- b. Except as provided in 4c below, no employee shall accept a gift of more than nominal value, established here at \$25.00, from anyone doing business or seeking to do business with the Authority or from a subordinate in the line of authority.
- c. An employee may accept a gift, regardless of value, when

- (1) The gift is from an immediate family member and does not have the appearance of influencing the employee in the performance of his or her duties.
 - (2) The gift is food or beverage offered in the ordinary course of conducting the Authority's business or offered at a banquet, reception or other widely attended occasion.
 - (3) The gift is offered at, or is participation in, a widely attended event (e.g., a golf tournament) sponsored by an industry organization (e.g., Air Transport Association) or a business doing business with the Authority (e.g., Parsons Management Consultants).
 - (4) The gift is an award or prize given in contests or at widely attended events, including random drawings.
 - (5) The gift is a ceremonial one accepted on behalf of the Authority.
 - (6) The gift is an upgrade of service from an air carrier (i) offered in the ordinary course of the carrier's business and not based on the employee's status as an employee of the Authority, (ii) offered by the carrier to the employee on travel for business with that carrier, or (iii) otherwise permitted under this paragraph. An employee may not solicit an upgrade.
 - (7) Acceptance is approved by the President or the Executive Vice President.
- d. An employee should not accept gifts, even of nominal value, from a business doing business or seeking to do business with the Authority on a regular or frequent basis since this would have the appearance of influencing him or her.

5. FINANCIAL INTERESTS

A Financial Interest may come from ownership (e.g., shares of stock), income (e.g., salary, dividends), liability (e.g., loan to or from the company) or fiduciary duty. The financial interest of an employee's Immediate Family will be attributed to him or her for the purposes of this Code of Ethics.

a. Definitions.

(1) Financial Interest means:

- (a) *Ownership.* Interest (e.g., shares of stock) in a business that

exceeds 3 percent (3%) of the total equity of the business or has a fair market value greater than \$50,000.

- (b) *Income.* Income in any form (whether or not deferred) including, for example, salaries, fringe benefits, interest, dividends, or rent that exceeds or may reasonably be expected to exceed \$2,500 annually. Income also includes the prospect of income such as a pending job or offer of employment.
 - (c) *Pledge or surety.* Personal liability (incurred or assumed) on behalf of a business that exceeds 3 percent (3%) of the asset value of the business or \$10,000.
 - (d) *Loan or debt.* Personal debt of \$200 or more to the business or an individual involved with the business, *except* a debt incurred in the ordinary course of business on usual commercial terms; for example, an automobile loan on commercial terms from the bank doing business on the airport is permissible; a loan from the bank manager is not.
 - (e) *Fiduciary duty.* The duty owed to a business by a person in the position of corporate officer or member of the board of directors or other governing body, even without financial remuneration from the business. Fiduciary duties to non-profit businesses (e.g., trade associations) are not included in this definition of a Financial Interest.
- (2) Business means sole proprietorships, firms, corporations, partnerships, companies or associations.
 - (3) Immediate Family means spouse and dependents living in the same household. It also includes any person over whose financial affairs the employee has substantial legal or actual control.
 - (4) Participate means approving, disapproving, influencing, or attempting to influence a decision of the Authority.
- b. An employee who has a Financial Interest in a Business doing business, or seeking to do business, with the Authority shall not knowingly Participate in any transaction with that Business (such as a lease, a contract negotiation, solicitation or award process, contract administration, or an investment of Authority funds) on behalf of the Authority absent a waiver from the President or Executive Vice President. An employee will be presumed to know when he or she has a Financial Interest in a matter. An employee has the affirmative responsibility to disclose that Financial Interest to his or her immediate supervisor and to not Participate in the transaction.

- c. An employee may have a personal Financial Interest in a Business doing business with the Authority because of a part time job only when the work done or service provided on the part time job is different from or not substantially related to the work or service that the employee performs or supervises for the Authority and the part time job does not otherwise present a conflict of interest. For example, an Authority building inspector may not do electrical work for an airport tenant on the airport, but may do baggage handling. A concession business analyst may not take a part time job with any Authority concessionaire on or off airport, but may be able to work for an architectural and engineering firm that has a contract with the Authority.
- d. Absent a waiver from the President or Executive Vice President, no employee identified in paragraph 7a nor any member of his or her Immediate Family shall own any business or have any investment in any business engaged in the transportation of people or property by aircraft in common carriage whether or not the business is doing business at the Authority's facilities. This does not preclude ownership of shares in a diversified fund which may own an interest in air transportation company.

6. COMPENSATION FOR TEACHING, SPEAKING, AND WRITING

Employees may accept compensation for teaching, speaking, or writing on matters not pertaining to their official duties. An employee shall not accept compensation, expenses, or other remuneration for teaching, speaking, or writing other than that paid by the Authority when:

- a. The activity is undertaken as part of the employee's official duties; or
- b. The invitation to engage in the activity was extended to the employee directly or indirectly by a person who has interests that can reasonably be expected to be substantially affected by performance or nonperformance of the employee's official duties.

Notwithstanding a and b above, an employee may accept payment of his or her expenses for attending the event at which he or she is teaching or speaking with the *prior approval* of the Authority's President or Executive Vice President.

7. DISCLOSURE AND CERTIFICATION

- a. To avoid conflicts and to assure the public of their impartiality, the following individuals shall disclose personal Financial Interests in accordance with paragraph b:
 - (1) The President, the Executive Vice President, all other Vice Presidents, Assistant Vice Presidents, the Police and Fire Chiefs,

and each employee reporting directly to either the President or Executive Vice President or to the Board of Directors;

- (2) Each employee in or agent of the Authority working in, the Executive Offices, the Procurement and Contracts Department, the Concessions and Property Development Department, the Office of General Counsel, the Office of Air Service Planning and Development, the Office of Audit, the Treasury Branch of the Finance Office, and the Manager of Airline Relations, the Controller, the Controller's secretary, and the Executive Assistant to the Chief Financial Officer; and
 - (3) The Managers of the Airports' and Public Safety's Administration Departments, and the employees of the Airports' Contract Management Divisions and Procurement Offices and the Public Safety Property/Supply Office.
- b. The employees named in paragraph 7a above shall disclose by January 31 of each year, personal Financial Interests (i.e., a Financial Interest of the employee or his or her Immediate Family), if any, in any Business that is doing business with the Authority and shall certify that they have no other personal Financial Interest in any transaction or investment of the Authority.
 - c. Before beginning evaluation of proposals submitted in Authority procurement, each member of the Evaluation Committee (whether voting or advisory) shall certify that he or she has no Personal Financial Interest in any of the offerors. If during the Evaluation Committee's deliberations, any member determines that he or she has a Personal Financial Interest in a first tier subcontractor to one of the offerors, he/she shall notify the Contracting Officer immediately and shall not participate further in the Committee's deliberations.
 - d. Before taking up administration of a contract assigned to them, and annually thereafter, Contracting Officers and Contracting Officer's Technical Representatives and their alternates, if any, whether an employee or other agent of the Authority, shall certify that he or she has no personal Financial Interest in the prime contractor or in the first tier subcontractors.
 - e. From time to time, other employees may be asked to certify their personal Financial Interests.

8. NEPOTISM

- a. For the purposes of this provision, the term “relative” means: father, mother, grandfather, grandmother, son, daughter, granddaughter, grandson, brother, sister, uncle, aunt, nephew, niece, husband, wife, father-in-law, mother-in-law, daughter-in-law, son-in-law, sister-in-law or brother-in-law.
- b. An employee may not appoint, employ, promote, or advance within the Authority one of his or her own relatives. In addition, a relative may not be assigned to any position in which one relative may directly or indirectly supervise, control, or influence the work or the employment status of the other relative or the affairs of the organizational unit in which the other relative is employed. Thus, a relative may not be assigned to a position that is under direct or indirect supervision by another relative. Neither shall two relatives report directly to the same supervisor.

9. CORRECTIVE ACTIONS: “GRANDFATHER” PROVISION

An employee who, on the effective date of this directive, has or may have a Financial Interest in a business that has a contract with the Authority, has a Financial Interest that affects the employee’s ability to participate in a transaction, supervises or is in a position which is under the direct or indirect supervision of a relative under paragraph 8b, or is reporting directly to the same supervisor that a relative reports to, shall report this situation to the General Counsel within 30 days after the effective date. If the General Counsel determines that an employee has a personal Financial Interest or other situation that presents a conflict of interest that may be “grandfathered” or that requires disclosure or some other action by the employee, the employee, with the advice from the General Counsel, shall make a plan for corrective action to be implemented as soon as is reasonably practicable.

10. ADVICE OF GENERAL COUNSEL

General Counsel to the Authority may, upon request of an employee, advise employees on whether the Authority would consider a proposed action to be a violation of this Code of Ethics. No employee will be held to have violated this Code of Ethics if the alleged violation resulted from his or her good faith reliance on a written opinion from the Authority’s General Counsel and the opinion was made after a full and accurate disclosure of the material facts. In order to promote understanding and compliance, the General Counsel shall from time to time, issue guidance and reports on the interpretations and the applications of this Code.