



CITIZENS UNION

CODE of ETHICAL CONDUCT and CONFLICTS of INTEREST POLICY

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The following possible examples are provided merely as a guide to assist in the disclosure, evaluation and determination of conflicts.

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5. Volunteering on a candidate's political campaign and participating in the organization's consideration and decision to support such candidate.

Conflicts Procedure

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In the event the conflict concerns either the chair of the board of directors or the executive director, disclosure must be made to the other party and to the chair of the audit committee. In the event the conflict concerns the chair of the audit committee, the chair of the board will designate another member of the audit committee to act in his or her place. In the case of non-board volunteer members of CU committees, disclosure of actual, potential, perceived conflicts, only need be made to the committee chair and the executive director for review and consideration.

The audit committee shall promptly determine whether the actual, potential or perceived conflict requires action that may include disclosure to the entire board or committee involved in the matter, recusal, refraining from attending the relevant meeting or other measure as it may deem necessary. The audit committee may refer the matter to the executive committee or executive director for handling if it so deems. While the audit committee is considering action in the matter, the individual involved in the conflict should refrain from participating in the decision, but may participate in the discussion unless the chair determines otherwise. The chair, executive director, and audit committee have an obligation to investigate, address promptly and treat as confidential, to the extent possible, all such matters, and make their decisions quickly.

With regard to potential or perceived conflict items B.4 above, making a contribution to a candidate requires disclosure but not automatic recusal unless the audit committee determines otherwise. With regard to potential or perceived conflict items B.2. and 3. above, the affected stakeholder shall disclose to the chair or executive director or, if the potential or perceived conflict is first identified during the course of a board or committee meeting, to the board or that committee, the nature of any conflict of which the stakeholder has knowledge, and whether the stakeholder believes she or he should participate in the discussion or consideration of the matter. Should the stakeholder choose to continue to participate in the consideration or discussion of an issue after such disclosure, anyone on the board or committee who has a concern that the stakeholder's continued participation in the discussion would jeopardize the integrity or credibility of CU may question the decision. If the stakeholder then continues to believe he or she should participate, the person raising the concern should raise that concern immediately to the chair, executive director or the audit committee chair, or any of those may raise the issue on their own, and if the chair or audit committee chair deems it appropriate, the procedure set forth in the preceding paragraph shall be followed.

Gifts and Other Payments

Except for gifts of nominal value or meals and social invitations in keeping with good business ethics that do not obligate the recipient, a stakeholder may not accept commissions, gifts, payments, entertainment, services, loans or promises of future benefits from any person or entity relating to, or on account of, his or her, (or his or her family's) CU service or employment.

Possible Conflicts Outcomes and Disposition

With respect to officers, directors, or committee members, an action in response to an actual conflict, may include, but is not limited to, requiring an interested officer, director, or committee member to recuse him or herself from consideration of the related matter and its subsequent decision by the board, or executive director and committee chair in the case of a committee member

(and, if requested, to leave the room during its consideration), or recommending to the board that such director or committee member be asked to resign or be removed.

With respect to officers, directors, or committee members, an action in response to a possible or perceived conflict may involve only disclosure, but it may also include requiring an interested officer, director, or committee member to recuse him or herself from consideration of the related matter and its subsequent decision by the board, or executive director and committee chair in the case of a committee member, if requested, to leave the room during its consideration.

With respect to staff members, such action may include, but is not limited to, requiring the staff member to absent him or herself from decisions or activities relating to the proposed matter, or having the executive director, if warranted, dismiss such staff member.

In furtherance of this policy, each stakeholder shall be required to read this Code and complete the Conflict of Interest Disclosure Statement (Statement) attached hereto upon election, appointment, or hire, and on an annual basis thereafter for as long as ones serves or work in such capacities. The information on the Statement shall be kept current and up-to-date at all times. Changes in status will require the stakeholder to update the Statement.

Adopted by the
Citizens Union of the City of New York, Inc.
Board of Directors
February 12, 2009

Ending Standoff, Giuliani Agrees to Allow Audits

By Clifford J. Levy

April 12, 1997

See the article in its original context from April 12, 1997, Section 1, Page 21 [Buy Reprints](#)

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Ending a rancorous two-week standoff, Mayor Rudolph W. Giuliani agreed yesterday to allow auditors for State Comptroller H. Carl McCall back into New York City agencies. Mr. McCall in turn said he would change the guidelines for four audits that the Mayor had complained were politically motivated.

Each side quickly called the settlement a win. Mr. McCall's aides said that the Mayor was acknowledging that the State Comptroller had broad powers to investigate whether the Giuliani administration was properly managing city programs. "Every auditor who got kicked out is going back to work on behalf of the taxpayers Monday morning at 9 A.M.," Steven Greenberg, Mr. McCall's director of communications, said. "The Comptroller believes that this is a victory for the people of the city."

The Mayor's lieutenants contended that because Mr. McCall was recasting the scope of the four audits, he was in effect conceding that he had overstepped his authority. "We have made our point," Randy M. Mastro, the Deputy Mayor for Operations, said. "Our message was heard loud and clear!"

The dispute began last month when Mr. Giuliani barred city agencies from cooperating with Mr. McCall's auditors. The Mayor then evicted two state auditors from the Health Department and one from the Human Resources Administration. The Mayor, a Republican, charged that Mr. McCall, a Democrat, had in recent months begun numerous audits to dig up information that would then be slanted to embarrass Mr. Giuliani as he campaigned for re-election.

Mr. McCall said the Mayor's action was illegal and unprecedented, adding that it raised questions about whether Mr. Giuliani was trying to hide something. The State Comptroller said politics did not influence the way he ran his office, and he vowed to issue subpoenas for documents that Mr. Giuliani had ordered city agencies to withhold.

The Mayor countered that he would ask a court to quash any subpoenas that Mr. McCall issued. Administration officials prepared a legal opinion that they said demonstrated that the State Comptroller had the authority to audit only the finances of the city, not the performance of city programs.

The skirmish showed how government auditors, who are supposed to be impartial arbiters charged with weeding out fraud and waste, can become embroiled in disputes over politics. It also brought new attention to Mr. McCall, one of the most powerful Democrats in the state and a vigorous critic of Mr. Giuliani.

The settlement was brokered by the City Council Speaker, Peter F. Vallone. Under its terms, Mr. McCall agreed to withdraw requests to conduct three audits that had been intended to determine the accuracy of statistics in the Mayor's Management Report, the annual review that the administration makes of city services.

The Comptroller's office was trying to check figures in the report on street cleanliness, welfare and crime.

Mr. McCall also withdrew a plan to audit how the city was preparing for the effect of the year 2000 on its computer systems.

But Mr. McCall's aides emphasized that the office was resubmitting its requests to do the four audits after changing the scope of the inquiries. Mr. Greenberg, Mr. McCall's spokesman, said the major difference in the new requests was that the office was giving the administration more details about the purpose of the audits.

"We are going to conduct the same audits of those agencies that we have always planned on conducting," Mr. Greenberg said. "This is exactly what we had planned to do all along."

Mr. Greenberg said the office would not alter more than a dozen other audits of city agencies that had already begun or would begin in the coming months.

As part of the agreement, Mr. McCall's aides outlined for senior administration officials the typical schedule for these types of audits in an attempt to convince them that the audits could not be finished before Election Day.

Mr. Vallone's chief of staff, Kevin R. McCabe, who actually mediated the negotiations, said both sides agreed to set up more formal lines of communication so that disagreements about audits would not turn into battles.

While Mr. McCall's aides said his authority had not been diminished, Deputy Mayor Mastro suggested that the Mayor had succeeded in teaching Mr. McCall a lesson. Mr. Mastro said that while the State Comptroller's office might describe the changes to the four audits as mere tinkering, they were far more than that.

Mr. Mastro said Mr. McCall could still scrutinize the administration's performance in areas like crime, street cleaning or welfare, but he would no longer try to gauge the accuracy of the Mayor's Management Report. "The most offensive audits have been withdrawn," Mr. Mastro said.

Mr. Mastro did tone down the administration's oratory in recent days. Asked if he still believed that Mr. McCall had politicized his office, Mr. Mastro replied, "Our views on that subject are well known."

"This was a reasonable and constructive solution," Mr. Mastro said.

A version of this article appears in print on , Section 1, Page 21 of the National edition with the headline: Ending Standoff, Giuliani Agrees to Allow Audits

Giuliani accused of running a closed City Hall

The mayor made famous in the aftermath of the 9/11 terrorist attacks has long described his City Hall as an open book. But the public record shows a reputation of resistance to open government.



— Republican presidential hopeful and former New York City Mayor Rudy Giuliani speaks during a campaign stop Wednesday in Columbia, Mo. He has long described his City Hall as an open book.

Dan Gill / AP

When a mayor of New York leaves office, little goes out the door but memories – unless he's Rudy Giuliani.

Government rules discourage the city's most powerful officeholder from departing with more than token gifts collected on the job. Ed Koch, mayor from 1978 to 1989, recalls keeping some neckties. His successor, David Dinkins, walked away with knickknacks from his desk, including a crystal tennis ball and a collection of photographs documenting his meetings with celebrities and business icons.

When Giuliani stepped down, he needed a warehouse.

Under an unprecedented agreement that didn't become public until after he left office, Giuliani secreted out of City Hall the written, photographic and electronic record of his eight years in office – more than 2,000 boxes.

Along with his own files, the trove included the official records of Giuliani's deputy mayors, his chief of staff, his travel office and Gracie Mansion – the mayor's residence that became a legal battlefield during his caustic divorce.

The mayor made famous in the aftermath of the 9/11 terrorist attacks has long described his City Hall as an open book.

In a Republican presidential candidates' debate last week, Giuliani asserted: "My government in New York City was so transparent that they knew every single thing I did almost every time I did it. ... I can't think of a public figure that's had a more transparent life than I've had."

But the public record, as reviewed by The Associated Press, shows a City Hall that had a reputation of resistance – even hostility – toward open government, the First Amendment and the public's access to simple facts and figures.

"He ran a government as closed as he could make it," said attorney Floyd Abrams, a widely recognized First Amendment authority who faced off against city lawyers when Giuliani sought to shut the Brooklyn Museum of Art because the mayor considered a painting sacrilegious.

Giuliani official: He ran an 'open' government

Giuliani's decision to commandeer his historical records in late 2001, as he prepared to leave office, was just one of many episodes during his term, both in and out of the courtroom, that demonstrate his efforts to control, withhold or massage information to advance his agenda and hobble critics.

The litany of questions Giuliani has faced in recent weeks about undisclosed business clients and furtive billing practices for police security during trysts with then-girlfriend Judith Nathan are reminiscent of the dozens of lawsuits filed by news organizations to obtain public records, of the numerous state Freedom of Information Law requests that nonprofits like the Coalition for the Homeless were forced to file, of access to City Hall steps denied to protesters.

At times, the number of working water fountains in city parks was hard to ascertain without making a formal request. Under Giuliani, it became more difficult to determine the number of complaints filed against the city's home care program, the number of firearms discharged by police and the number of inspectors in the housing and buildings departments. Even details about the city's recycling program were hard to come by.

In a statement issued through the campaign, former Deputy Mayor Randy Mastro said Giuliani "ran an open and transparent administration," made himself available to the press daily, frequently participated in town hall meetings and released information about city services and the budget on a regular basis.

"Indeed, there was probably no elected official in this country who made himself as available to the press and public as Rudy Giuliani did when he was mayor of New York City," Mastro said. "Nitpicking aside, Rudy Giuliani ran a government based on the need for openness and transparency. These are basic principles Rudy will govern by and enforce from the top down as president of the United States."

Critic: He was 'worst in living memory'

Since 9/11, Giuliani has frequently cited security concerns as a rationale for secrecy. But history shows that he operated a secretive administration long before the jetliners struck into the World Trade Center towers.

"Mayor Giuliani was in many respects a good mayor, but in regard to First Amendment-related matters, he is surely the worst in living memory," Abrams said in an interview.

More than two dozen lawsuits were filed during Giuliani's mayoralty accusing his administration of stifling free speech or blocking access to public records. The city lost most of the lawsuits, including fights against the state comptroller, the city public advocate and the city's Independent Budget Office. Giuliani often blamed such battles on political enemies.

In his time in office, determining how many police were on the beat became more difficult to ascertain. Critics of the mayor were sometimes denied use of public property to hold events.

Advocacy and oversight groups long accustomed to easily obtaining information about city services and finances – the Citizens Budget Commission and the Women's City Club among them – were required to file freedom of information requests for documents, often resulting in months of delays and added legal costs.

In a slap at Giuliani's City Hall, a judge in one such case wrote bluntly, "The law provides for maximum access, not maximum withholding."

Attorney Eve Burton, who represented the New York Daily News during much of the Giuliani era, said the newspaper submitted more than 100 filings in six years related to information or access requests, appeals or lawsuits involving the administration. In one case, she said, the city refused to turn over the names of people who held gun permits – unquestionably public information – until threatened with a lawsuit.

"It is an unblemished record for secrecy," said Burton, now general counsel at the Hearst Corp.

Whereabouts often unclear

Giuliani depicted himself as a round-the-clock mayor, but his whereabouts were often fiercely shielded by his staff, particularly in the later years of his mayoralty, when he was cheating on his wife with Nathan, using decoy vehicles and surrounding himself with a Secret Service-esque security team that traveled in caravans of SUVs.

His personal life became a public riddle. In mid-2001, Giuliani fled the mayor's residence and began bunking with friends, a gay couple – an arrangement eventually disclosed by the Daily News.

In May 2001, in the midst of the mayor's divorce proceedings, one of Giuliani's top lawyers seized from a city library a document with blueprints to Gracie Mansion and blocked access to another copy. At the time, the mayor and his wife were arguing in court over whether Nathan should be barred from the official residence. Giuliani's office said the blueprints could pose a danger in the wrong hands, but the Police Department later ruled that the document was no security threat and it was placed back in public circulation.

In the name of heightened security, Giuliani all but cut off public access to the steps of City Hall, long a civic soapbox. New security cameras scanned anyone entering or leaving the building and kept watch on the grounds. Rules were eased somewhat after a judge found that the city had unfairly restricted access.

When Village Voice reporter Tom Robbins sought expense records for a city housing agency headed by the son of one of Giuliani's closest political advisers, he was told they had been lost.

Finally released to the Voice more than a year later, after Giuliani left office, the documents led to an investigation that ended with the guilty plea of Russell Harding, who embezzled more than \$400,000 from the city to finance a personal spending spree and download child pornography onto his computer.

AIDS demonstrators were forced to hold a City Hall protest in a steel pen, as police sharpshooters patrolled the roof, an NYPD helicopter thumped overhead, and dozens of police kept watch on foot and motorcycles. Giuliani called the extraordinary security justified.

Break from predecessors

Giuliani's spirited away of his mayoral records was particularly grating to many.

The traditional home of mayoral records dating to the mid-19th century is New York's municipal archives, a public storehouse where documents are sorted and indexed for the benefit of posterity.

But in a break from predecessors, and some argue the law, Giuliani, in his final days in office, shipped more than 2,000 boxes of correspondence, appointment books, audiotapes, e-mails, telephone logs, briefing memos, private schedules and videotapes and photos to a storage facility in Queens.

The materials were placed in the custody of a private, nonprofit group allied with Giuliani, under an agreement between the city and the Rudolph W. Giuliani Center for Urban Affairs, which, at the time, had no board and no permanent site.

After the arrangement became public, Giuliani promised that once the records were placed in the hands of a private archivist, they would be "more accessible rather than less." In fact, some records from prior mayors remain uncataloged in boxes, in large part because no other mayor has financed a private effort to catalog the materials.

But his assurances did little to ease the anxiety of historians and open-government advocates who wondered if his goal was to reshape – rather than protect – history.

Or worse, erase it – especially with a run for the presidency looming.

The records "were the property of the city. They were not his to take," said Robert Freeman, one of the most widely respected advocates for open government in the country, who heads New York State's Committee on Open Government.

Critics say questions loom

Over time, the records were microfilmed and returned to the city archives. Giuliani aides have bristled at suggestions that documents were withheld, scrubbed of embarrassing details or destroyed.

But "there will always be questions," Freeman added.

The administration of Giuliani's successor, Michael Bloomberg, is confident the records were returned. City archivists echo that assessment but, when questioned, acknowledge the situation is less than definitive.

When asked if everything that left City Hall with the mayor had been returned, archives director Leonora Gidlund said, "That's not a question I can answer. I wasn't physically there."

In 2003, New York City enacted a law forbidding sitting mayors from hiring private firms to archive their papers.



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In the event the conflict concerns either the chair of the board of directors or the executive director, disclosure must be made to the other party and to the chair of the audit committee. In the event the conflict concerns the chair of the audit committee, the chair of the board will designate another member of the audit committee to act in his or her place. In the case of non-board volunteer members of CU committees, disclosure of actual, potential, perceived conflicts, only need be made to the committee chair and the executive director for review and consideration.

The audit committee shall promptly determine whether the actual, potential or perceived conflict requires action that may include disclosure to the entire board or committee involved in the matter, recusal, refraining from attending the relevant meeting or other measure as it may deem necessary. The audit committee may refer the matter to the executive committee or executive director for handling if it so deems. While the audit committee is considering action in the matter, the individual involved in the conflict should refrain from participating in the decision, but may participate in the discussion unless the chair determines otherwise. The chair, executive director, and audit committee have an obligation to investigate, address promptly and treat as confidential, to the extent possible, all such matters, and make their decisions quickly.

With regard to potential or perceived conflict items B.4 above, making a contribution to a candidate requires disclosure but not automatic recusal unless the audit committee determines otherwise. With regard to potential or perceived conflict items B.2. and 3. above, the affected stakeholder shall disclose to the chair or executive director or, if the potential or perceived conflict is first identified during the course of a board or committee meeting, to the board or that committee, the nature of any conflict of which the stakeholder has knowledge, and whether the stakeholder believes she or he should participate in the discussion or consideration of the matter. Should the stakeholder choose to continue to participate in the consideration or discussion of an issue after such disclosure, anyone on the board or committee who has a concern that the stakeholder's continued participation in the discussion would jeopardize the integrity or credibility of CU may question the decision. If the stakeholder then continues to believe he or she should participate, the person raising the concern should raise that concern immediately to the chair, executive director or the audit committee chair, or any of those may raise the issue on their own, and if the chair or audit committee chair deems it appropriate, the procedure set forth in the preceding paragraph shall be followed.

Gifts and Other Payments

Except for gifts of nominal value or meals and social invitations in keeping with good business ethics that do not obligate the recipient, a stakeholder may not accept commissions, gifts, payments, entertainment, services, loans or promises of future benefits from any person or entity relating to, or on account of, his or her, (or his or her family's) CU service or employment.

Possible Conflicts Outcomes and Disposition

With respect to officers, directors, or committee members, an action in response to an actual conflict, may include, but is not limited to, requiring an interested officer, director, or committee member to recuse him or herself from consideration of the related matter and its subsequent decision by the board, or executive director and committee chair in the case of a committee member

(and, if requested, to leave the room during its consideration), or recommending to the board that such director or committee member be asked to resign or be removed.

With respect to officers, directors, or committee members, an action in response to a possible or perceived conflict may involve only disclosure, but it may also include requiring an interested officer, director, or committee member to recuse him or herself from consideration of the related matter and its subsequent decision by the board, or executive director and committee chair in the case of a committee member, if requested, to leave the room during its consideration.

With respect to staff members, such action may include, but is not limited to, requiring the staff member to absent him or herself from decisions or activities relating to the proposed matter, or having the executive director, if warranted, dismiss such staff member.

In furtherance of this policy, each stakeholder shall be required to read this Code and complete the Conflict of Interest Disclosure Statement (Statement) attached hereto upon election, appointment, or hire, and on an annual basis thereafter for as long as ones serves or work in such capacities. The information on the Statement shall be kept current and up-to-date at all times. Changes in status will require the stakeholder to update the Statement.

Adopted by the
Citizens Union of the City of New York, Inc.
Board of Directors
February 12, 2009