

THE PENNSYLVANIA LIQUOR CONTROL BOARD

Effective January 29, 2015

CODE OF CONDUCT
HONESTY, INTEGRITY AND LEADERSHIP

REVISED FEBRUARY 2015



The Official PLCB Code of Conduct

Part I – Code of Conduct Policy:

The Pennsylvania Liquor Control Board (PLCB) is committed to maintaining the highest ethical standards and preserving the good reputation of PLCB Members and employees (collectively known as “Employees of the PLCB”). All Employees of the PLCB are to conduct themselves in a manner that preserves integrity among public employees. To that end, Employees of the PLCB:

1. Must not ask for or receive anything of value from any vendor, vendor employee or vendor agent having sold, selling or offering to sell alcohol to the PLCB or from any person seeking to obtain or currently holding a contract with the PLCB for any reason.
There are no exceptions to this prohibition.
2. Must not ask for or accept anything of value from any person based on an understanding that a vote, official action or judgment of the Employee of the PLCB would be influenced by the giving of the gift.
There are no exceptions to this prohibition.
3. Must not ask for or accept anything of value from any applicant or licensee or from any person who is engaged (unless on behalf of the PLCB), either as a principal or attorney, in proceedings before the PLCB or in proceedings in which the PLCB or State Police Bureau of Liquor Control Enforcement is an adverse party.
Limited exceptions to this prohibition are outlined herein.
4. Must not engage in supplementary employment unless it is approved in advance.
5. Must not engage in situations in which personal interests/activities may be perceived as being in conflict with the interests of the PLCB or viewed as a violation of the public’s trust.
6. Must not have interests that may reasonably bring into question his/her impartiality and objectivity.
7. Must not use or attempt to use his/her position to obtain unfair privileges or advantages for himself/herself or others.

Part II – Power to Establish Code of Conduct:

The power to establish and require adherence to this Code of Conduct is granted pursuant to sections 207(f) and 208(b) of the Liquor Code.

Part III – Enforcement of the Code of Conduct:

Any violation of this Code of Conduct may subject an Employee of the PLCB to disciplinary action including but not limited to reprimand, suspension, demotion or discharge. Employees of the PLCB shall be subject to the prohibitions contained in this Code of Conduct, regardless of whether the employee acknowledges receipt electronically or by hard copy.

Part IV – General Statutory Restrictions:

1. *Employees of the PLCB are bound by the State Ethics Act and Adverse Interests Act:*

Except in those situations where this Code of Conduct is more restrictive, Employees of the PLCB shall be subject to the Public Official and Employee Ethics Act and the State Adverse Interest Act. *See Appendix A.*

2. *Employees of the PLCB are bound by the restrictions outlined in section 210 of the Liquor Code [47 P.S. § 2-210], attached as Appendix B.*

Any Employee of the PLCB who violates section 210 of the Liquor Code [47 P.S. § 2-210] shall have his/her employment by the PLCB immediately terminated by the appropriate person having power to terminate.

Part V – Restricted Activities:

1. *Supplementary Employment:* No Employee of the PLCB shall engage in or accept employment or render services for a private interest, with or without compensation, unless such employment/service is **approved in advance** as outlined in Management Directive 515.18 (Supplementary Employment).
 - a. No Employee of the PLCB may perform services for or receive compensation from persons or institutions that are regulated by the PLCB unless the Board determines such employment does not create a conflict of interests. This paragraph shall not prohibit an Employee of the PLCB from being a member of a club licensed by the PLCB.
2. *Accepting Honoraria:* Employees of the PLCB shall not accept honoraria. Employees of the PLCB shall not receive compensation for consultation that draws upon ideas or data derived from his/her PLCB duties.
3. *Accepting Gifts:* Employees of the PLCB should exercise caution with regard to the acceptance of any gifts. Please be advised that the rules concerning the acceptance of gifts *differ depending on the entity providing the gift:*

- a. *Gifts from Vendors/Contractors:* Employees of the PLCB shall not ask for or receive anything of value from any vendor having sold, selling or offering to sell alcohol to the PLCB or from any person seeking to obtain or currently holding a contract with the PLCB for any reason. *There are no exceptions to this prohibition;*
- b. *Gifts from Licensees/Applicants:* Employees of the PLCB shall not ask for or receive, directly or indirectly, any commission, remuneration or gift or any other thing of value, directly or indirectly, from any license applicant or from any person who conducts operations or activities that are regulated by the PLCB (i.e. licensees) or from any person who is engaged (unless on behalf of the PLCB), either as a principal or attorney, in proceedings before the PLCB or the Office of Administrative Law Judge or in court proceedings in which the PLCB or State Police Bureau of Liquor Control Enforcement is an adverse party.

The only limited exceptions to this paragraph are set forth below and are further limited to circumstances and activities that do not involve violations of law. These exceptions do not apply to the restrictions outlined in Part IV or Part V, Paragraph 3.a. Moreover, these exceptions are subject to the reporting requirements in the Public Official and Employee Ethics Act and the Governor's Code of Conduct [Executive Order No. 1980-18 (Amended)]:

- (1) Asking for or receiving something of monetary value from a parent, sibling, spouse, child, stepchild, stepparent, stepsibling, grandparent, grandchild, parent/sibling-in-law or other close relative when the circumstances make it clear that the motivation for the action is a personal or family relationship;
- (2) Acceptance of food and drink that is available to all members of the general public in accordance with the Liquor Code and the Board's Regulations (e.g. daily drink specials, happy hour discounts, bar spending) or that is offered to members of a group or class in which membership is not related to being an Employee of the PLCB. But no food or drink can be accepted without payment at advertised or listed price;
- (3) Participation in widely attended gatherings free of charge is permissible when officials have been invited and are acting in furtherance of their duties. But no food or drink can be accepted without payment at market value.

Part VI – Continuing Obligations:

Employees of the PLCB have the continuing duty to review and assess their conduct in light of this Code of Conduct, report any conflicts that may arise and cooperate fully with the PLCB in all matters relating to this Code of Conduct.

1. *Reporting Obligations:*

- a. An Employee of the PLCB who has a conflict, a potential conflict or knowledge of or reason to believe that there has been a violation of this Code of Conduct, the Public Official and Employee Ethics Act, the State Adverse Interest Act, and/or Sections 210 and 491(14) of the Liquor Code, shall immediately notify the Director of Human Resources, Director of Administration, Executive Director or Chief Counsel.
- b. Any employee who is charged with a crime (except a summary offense found in the Vehicle Code) is required to report the charge to his/her bureau director and the Director of Human Resources. A Board Member charged with a crime shall report the charge to the other Board Members, Executive Director, Director of Administration and Chief Counsel.

2. *Required Testimony:* An Employee of the PLCB, if required and subject to the exercise of any legal right and/or privilege, shall appear and testify upon matters directly related to the conduct of his/ her position before any state or federal court, grand jury or state investigative organization.

Part VII – Annual Certification and Disclosure:

1. Each Employee of the PLCB must annually affirm his/her commitment to this Code of Conduct by completing the “Code of Conduct Statement and Disclosure Form.” This may be done electronically or by hard copy. (See Appendix C.)
2. Employees of the PLCB who are required to file a Statement of Financial Interests pursuant to the Ethics Act will also be required to complete the Board’s Financial Disclosure Statement each calendar year for the previous calendar year. At the discretion of the Board, any PLCB employee may be asked to complete these forms.

Part VIII – Criminal Charges:

The Bureau of Human Resources shall establish a policy and procedure regarding the investigation and processing of matters discussed in this section. However, Employees of the PLCB are advised that:

1. An employee charged with criminal conduct material to his/her employment alleged to have occurred while on or off duty or an employee formally charged with criminal conduct which constitutes a felony shall be suspended without pay pending an investigation after consultation by the employee’s bureau director or designee with the Labor Relations Division of the Bureau of Human Resources.
 - a. When the employee is given written notification of the suspension, he/she will be afforded the opportunity to respond to the charges outlined in the notification. Employees are advised that any written response provided may be used against them.
2. In matters where an employee is formally charged with criminal conduct or wrongdoing other than that in Part VIII, Paragraph 1, a preliminary investigation will be conducted to determine, assess and minimize the impact that the incident might have on the PLCB and to determine whether sufficient reason exists for disciplinary action against the employee.

Whenever criminal charges involve a bureau director, Executive Team member or the Executive Director, the steps set forth above shall be followed as in the case of any other employee, except the required determination and actions shall be performed, in conjunction with the Office of Chief Counsel, by the Executive Director or his/her designee in the case of a bureau director or Executive Team member and by the Board or its designee in the case of the Executive Director.

Part IX – Commonwealth Attorneys:

Nothing in this Code of Conduct is intended to infringe in any way on the exclusive authority of the Pennsylvania Supreme Court to regulate the practice of law. The PLCB fully expects the attorneys it retains and employs to comply with their responsibilities under the Rules of Professional Conduct adopted by that Court.

DEFINITIONS

The following words and phrases, unless the context clearly indicates otherwise, shall have the meanings ascribed herein:

Applicant – Any person who is applying for any license, permit, certification or registration pursuant to the provisions of the Liquor Code or the Board’s Regulations.

Board – When used in this Code of Conduct, shall mean the collective body made up of the three Board Members of the PLCB.

Board Member – A member of the Board appointed by the Governor by and with the advice and consent of two-thirds of all the members of the Senate, not more than two of whom shall be from the same political party as the Governor. “Board Member” includes the Chairman of the Board.

Compensation – Anything of value, money or financial benefit conferred on or received by a person in return for services rendered or to be rendered, whether by that person or another.

Criminal Conduct Related to Employment – This term shall mean (a) any conduct that is in violation of criminal law resulting during the course of or from the performance of an official duty or function; (b) any other conduct that is in violation of criminal law, whether on or off duty, that may bring the Board into disrepute; or (c) any other conduct, while on or off duty, in violation of criminal law, that is deemed material to continued employment.

Financial Interest – An ownership, property, leasehold or other beneficial interest in a legal entity engaged in business for profit which comprises more than five percent of the equity of the business or more than five percent of the assets of the economic interest in indebtedness. The term does not include an individual’s interests in mutual or common investment funds such as employee pension plans and publicly traded mutual funds unless the individual is involved in the management or investment decisions of such fund or the fund or plan specializes in liquor-related issues.

Formally Charged with Criminal Conduct – An employee is deemed to be formally charged with criminal conduct upon occurrence of either of the following: (a) when he/she has been arrested; or (b) when he/she has been named as a defendant in an indictment or information or private criminal complaint that has been approved by the charging authority.

Gift – Anything that is received without consideration of equal or greater value. The term shall not include a commercially reasonable loan made in the ordinary course of business by a commercial banking institution.

Honorarium – Payment made in recognition of published works, appearances, speeches and presentations and which is not intended as consideration for the value of such services which are nonpublic occupational or professional in nature.

Person – A natural person, association or corporation.

Sufficient Reason for Disciplinary Action – This term shall mean that reasoning determined by the exercise of discretion of the bureau director for whom the employee is currently working, with approval of the Board, and includes but is not limited to reasons arising from violation of the provisions of any Collective Bargaining Agreement and/or regulations established by the Civil Service Act.

APPENDIX A

§ 2-206.1. Board and enforcement bureau subject to State Ethics and Adverse Interest Acts

- (a) Except to the extent that the penalties provided in section 210 of this act for violations are more stringent, the board, its members and all of its employes and employes of the enforcement bureau shall be subject to the act of October 4, 1978 (P.L. 883, No. 170), referred to as the Public Official and Employee Ethics Law, and the act of July 19, 1957 (P.L. 1017, No. 451), known as the “State Adverse Interest Act.”
- (b) Membership on the board and employment or continued employment as an employe of the board or enforcement bureau is conditioned upon compliance with all of the provisions of the acts specified in subsection (a), including, but not limited to, the filing of statements of financial interests required by section 5 of the Public Official and Employee Ethics Law. Acceptance or retention of employment shall be deemed as voluntary consent to submit to the financial reporting requirements of the Public Official and Employee Ethics Law as a condition of employment. Failure to timely comply with the requirements shall result in immediate termination of employment. Both the board and the enforcement bureau are subject to the provisions of 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosure).

APPENDIX B

§ 2-210. Restrictions on members of the board and certain employes of Commonwealth

- (a) A member or employe of the board or enforcement bureau or a member of the immediate family of a member or employe of the board or enforcement bureau shall not be directly or indirectly interested or engaged in any other business or undertaking within the Commonwealth dealing in liquor, alcohol, or malt or brewed beverages, whether as owner, part owner, partner, member of syndicate, holder of stock exceeding five percent (5%) of the equity at fair market value of the business, independent contractor or manager of a licensed establishment required under 40 Pa. Code § 5.23 (relating to appointment of managers), and whether for his own benefit or in a fiduciary capacity for some other person. For the purpose of this subsection only, “employe of the board or Enforcement Bureau” shall mean any individual employed by the board or Enforcement Bureau who is responsible for taking or recommending official action of a nonministerial nature with regard to:
 - (1) contracting or procurement;
 - (2) administering or monitoring grants or subsidies;
 - (3) planning or zoning;
 - (4) inspecting, licensing, regulating or auditing any person; or
 - (5) any other activity where the official action has an economic impact of greater than a de minimis nature on the interests of any person.
- (b) No member or employe of the board or enforcement bureau or a member of the immediate family of a member or employe of the board or enforcement bureau nor any employe of the Commonwealth shall solicit or receive, directly or indirectly, any commission, remuneration or gift whatsoever, from any person having sold, selling or offering liquor or alcohol for sale to the board for use in Pennsylvania Liquor Stores.
- (c) No person convicted of an infamous crime may be employed as a member or employe by the board or enforcement bureau.
- (d) No member or employe of the board or enforcement bureau may use his position with the board or enforcement bureau, or any confidential information received through his position with the board or enforcement bureau, to obtain financial gain, other than compensation provided by law, for himself, a member of his immediate family or a business with which he is associated.

- (e) No person may offer or give to a member or employe of the board or enforcement bureau or a member of his immediate family or a business with which he is associated, and no member or employe of the board or enforcement bureau may solicit or accept anything of value, including a gift, loan, political contribution, reward or promise of future employment, based on an understanding that the vote, official action or judgment of the member or employe of the board or enforcement bureau would be influenced thereby.
- (f) No member or employe of the board or enforcement bureau or a member of his immediate family or any business in which the member or employe or a member of his immediate family is a director, officer or owner or holder of stock exceeding five percent (5%) of the equity at fair market value of the business may enter into any contract valued at five hundred dollars (\$500) or more to provide goods or services to the board or enforcement bureau unless the contract has been awarded to the lowest responsible bidder through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded.
- (g) No former member or employe of the board or enforcement bureau may represent a person, with or without compensation, on any matter before the board or enforcement bureau for one year after leaving the board or enforcement bureau.
- (h) No member or employe of the board or enforcement bureau or an advisor or consultant thereto having recommended to the board or enforcement bureau either the making of a contract or a course of action of which the making of a contract is an express or implied part, may, at any time thereafter, have an adverse interest in that contract.
- (i) No member or employe of the board or enforcement bureau may influence or attempt to influence the making of, or supervise or deal with, a contract with the board or enforcement bureau in which he has an adverse interest.
- (j) No member or employe of the board or enforcement bureau may have an adverse interest in a contract with the board or enforcement bureau.
- (k) No person having an adverse interest in a contract with the board or enforcement bureau may become an employe of the board or enforcement bureau until the adverse interest has been wholly divested.

- (l) No member or employe of the board or enforcement bureau, except in the performance of his duties as such employe, may, for remuneration, directly or indirectly, represent a person upon a matter pending before the board or enforcement bureau.
- (m)(1) Any person who violates the provisions of this section shall have his employment by the board or enforcement bureau immediately terminated by the appropriate person having the power to terminate and shall be liable to the board or enforcement bureau to reimburse the board or enforcement bureau for all compensation received by him from the board or enforcement bureau while employed in violation of subsection (c).
 - (2) Any person who violates the provisions of subsections (b), (d) or (e) shall be guilty of a felony and, upon conviction thereof, shall be sentenced to pay a fine of not more than ten thousand dollars (\$10,000) or to undergo imprisonment for not more than five (5) years, or both.
 - (3) Any person who violates the provisions of subsections (a) or (f) through (l) shall be guilty of a misdemeanor and, upon conviction thereof, shall be sentenced to pay a fine of not more than one thousand dollars (\$1,000) or to undergo imprisonment for not more than one (1) year, or both.
 - (4) Any person who obtains financial gain from violating any provisions of this section, in addition to any other penalty provided by law, shall pay into the accounts of the board a sum of money equal to three (3) times the financial gain resulting from the violation.
 - (5) Any person who violates the provisions of this section shall be barred for a period of five (5) years from engaging in any business or contract with the board or enforcement bureau.
 - (6) The penalties and sanctions provided by this subsection shall supersede any similar penalties and sanctions provided by the act of July 19, 1957 (P.L. 1017, No. 451) known as the "State Adverse Interest Act," and the act of October 4, 1978 (P.L. 883, No. 170), referred to as the Public Official and Employee Ethics Law.
- (n) As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

“Business” shall mean a corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint-stock company, receivership, trust or legal entity organized for profit or as a not-for-profit corporation or organization.

“Immediate family” shall mean a spouse residing in the person’s household and minor dependent children.

“Infamous crime” shall mean a violation and conviction for an offense which would disqualify an individual from holding public office pursuant to section 6 of Article II of the Constitution of Pennsylvania; a conviction within the preceding ten (10) years for a violation of this section or of 18 Pa.C.S. § 4113 (relating to misapplication of entrusted property and property of government or financial institutions), Ch. 47 (relating to bribery and corrupt influence), Ch. 49 (relating to falsification and intimidation), Ch. 51 (relating to obstructing governmental operations) or Ch. 53 (relating to abuse of office); or a violation of the laws of this Commonwealth or another state or the Federal Government for which an individual has been convicted within the preceding ten (10) years and which is classified as a felony.

APPENDIX C

Code of Conduct Statement and Acknowledgement

I have received and reviewed a copy of the PLCB Code of Conduct revised Feb. 2015. I understand my responsibility to comply with the Code.

I recognize that the PLCB is committed to the standards contained in this Code of Conduct and that any violations may result in appropriate disciplinary action.

I will immediately disclose, as appropriate, any circumstance that I reasonably believe may be a violation of the Code of Conduct.

Instructions for Accessing the Code of Conduct Acknowledgement Online

1. Log on by entering your CWOPA User ID and password.
2. Click the Internet Explorer icon to launch the PLCB Intranet.
3. Scroll down until you see the green buttons on the right side of the page.
4. Click the green “ESS Employee Self Service” button.
5. Click “My Training” on the left side menu.
6. Find ***PLCB Code of Conduct Overview 2015*** in the “My Training Activities” section.
7. Click the “Start Now” link in the far right column to begin.

Please direct any questions to LB, Code of Conduct Questions (ra-lbccquestions@pa.gov).

If you wish to report possible concerns pursuant to the PLCB Code of Conduct, please call the Tip Line at 1.855.693.2062. All reports will remain strictly confidential.

**The Pennsylvania Liquor Control Board
Code of Conduct Summary**

While employees of the Board are expected to be familiar with the entire PLCB Code of Conduct, below is a summary of the major principles outlined in the document. This summary should be used for quick reference only. All Employees of the PLCB must conduct themselves at all times in a manner that maintains the complete trust and confidence of the citizens of the commonwealth. To that end, Employees of the PLCB:

- **SHALL NOT** solicit or receive anything of value from any vendor having sold, selling or offering to sell alcohol to the PLCB or from any person seeking to obtain or currently holding a contract with the PLCB for any reason. *There are no exceptions to this prohibition.*
- **SHALL NOT** solicit or accept anything of value from any person based on an understanding that a vote, official action or judgment of the Board Member or Employee of the PLCB would be influenced by the giving of the gift. *There are no exceptions to this prohibition.*
- **SHALL NOT** solicit or accept anything of value from any applicant or licensee or from any person who is engaged (unless on behalf of the PLCB), either as a principal or attorney, in proceedings before the PLCB or in court proceedings in which the PLCB or Bureau of Liquor Control Enforcement is an adverse party. *Limited exceptions to this prohibition are outlined in the Code of Conduct.*
- **SHALL NOT** violate the law or PLCB Code of Conduct.
- **SHALL NOT** engage in supplementary employment, unless it is approved in advance by the PLCB.
- **SHALL NOT** engage in situations where personal interests or activities are likely to be perceived as being in conflict with the interests of the PLCB.
- **SHALL NOT** have interests that may reasonably bring into question his or her ability to carry out the obligations of his or her position in a fair, impartial and objective manner.
- **SHALL NOT** act in any manner that would create an impression among the public that he or she is engaged in conduct that violates the public's trust.
- **SHALL NOT** use or attempt to use his or her position with the PLCB to obtain unwarranted privileges or advantages for himself, herself or others.

AN EMPLOYEE OF THE PLCB WHO HAS A CONFLICT OR POTENTIAL CONFLICT OF INTERESTS OR WHO HAS KNOWLEDGE OF OR REASON TO BELIEVE THAT A VIOLATION OF THE LAW OR OF THE CODE OF CONDUCT IS PRESENTLY OCCURRING MUST IMMEDIATELY REPORT THAT CONFLICT OR VIOLATION TO THE PLCB AS OUTLINED IN THE CODE OF CONDUCT.