

STANDARDS OF CONDUCT
Vermont Local Investment Advisory Committee
Adopted March __, 2023 by Treasurer Mike Pieciak

§ 1. STATEMENT OF PURPOSE & APPLICABILITY

- A. The Local Investment Advisory Committee was established by Act 199 of 2014 to provide advice to the Treasurer regarding investment of up to 10% of the State's average cash balance to further in-state economic development.
- B. Members of the Committee, as public servants and advisors to the Treasurer, must maintain high ethical and moral standards both professionally and personally in order to maintain and promote public confidence in the integrity of the advice and recommendations provided by the Committee. Public confidence in the Committee's advice may be impaired whenever an actual or potential conflict of interest, or the appearance of a conflict of interest exists between the private interest of a Member and the Member's official responsibilities.
- C. These standards of conduct are intended to provide specific guidance and standards for Committee Members in addition to – and without limiting the applicability of – the [Vermont Code of Ethics](#).
- D. These standards of conduct shall apply to the Members of the Local Investment Advisory Committee.

§ 2. DEFINITIONS

For the purposes of these standards of conduct, the following words have the following meanings:

- A. "Assets" means all funds as to which the Committee provides or is asked to provide advice to the Treasurer.
- B. "Benefit" means any gain, favor, profit, reward, value, accommodation, or other advantage, including a benefit to any other person in whose welfare the beneficiary is interested.
- C. "Business associate" means any person who is a partner in a partnership or in a similar business or commercial association with a Member or any member of the Member's immediate family, any household member or any person with whom the Member, any member of Member's immediate family or any household member has a significant commercial relationship.

- D. “Conflict of Interest” means any personal or financial interest of a Member, or such an interest, known to the Member, of a member of his or her immediate family, household member, or business associate in the outcome of any particular matter pending before the Committee. A conflict of interest includes, but is not limited to, those defined in section 4.
- E. “Employee” means a person employed by the Committee. Employees of the Vermont State Treasurer's Office shall not be considered employees of the Committee.
- F. “Gift” means any form of compensation and anything of value, tangible or intangible, and includes meals, beverages, travel fare, room and board, gratuities, entertainment, cash, goods, and services.
- G. “Immediate family” or “Household Member” includes any person with whom a Member lives, the Member’s spouse, domestic partner, or civil union partner, children (including stepchildren and foster children), brother, sister, mother, father and any in-laws through such persons, or an individual claimed as a dependent for federal tax income purposes.
- H. “Interest” means any personal or financial interest that is greater than that of other persons generally affected by the outcome of the matter.
- I. “LIAC” or “Committee” means the Local Investment Advisory Committee established by Act 199 of 2014.
- J. “Member” means any person who serves as a Member of the Committee or any person who serves as a designee of a Member.

§ 3. TRAINING

Each member – as a public servant, shall complete a training provided by the Vermont Ethics Commission relating to the Vermont Code of Ethics within 120 days of signing this Policy, and at least every three years thereafter.

§ 4. PROHIBITED CONDUCT: CONFLICTS OF INTEREST

The following conduct by a Member or an Employee creates either an actual or potential conflict of interest or the appearance of a conflict of interest and is prohibited:

- A. Solicitation or acceptance of a gift or benefit from any person or entity with a personal or financial interest in the outcome of a particular matter pending before the Committee as to which the Member has not recused himself.

- B. The purchase, sale, exchange, or lease of property to or from the Committee.
- C. Acting upon or providing to any person any information relating to the investment of Assets prior to that information becoming public record.
- D. Accepting a fee, gift, or other benefit for providing information to any person, relating to the Committee and its assets, obtained as a Member or Employee, whether insider or otherwise.
- E. Participating in any breach of duty by another person subject to this Policy, participating in concealing such breach, or knowingly or negligently permitting such breach to occur.
- F. Participating in a violation of this Policy by another person subject to this Policy, participating in concealing such violation, or knowingly or negligently permitting such violation to occur.
- G. Any direct personal interest in any investment or asset recommended or under consideration by the Committee as to which the Member has not recused themselves.
- H. Direct or indirect use of the gains or profits of any investment recommended or under consideration by the Committee as to which the Member has not recused themselves, for themselves or as an agent, for any purpose.
- I. Becoming an endorser or surety, or in any manner an obligor, for any investment recommended or under consideration by the Committee as to which the Member has not recused themselves.

§ 5. DISCLOSURE

- A. A Member shall disclose to the Committee and to the Treasurer and Deputy Treasurer in writing all actual or potential conflicts of interest and appearances of a conflict of interest within one business day of the day on which such actual or potential conflict or appearance of a conflict becomes known to the Member.
- B. Employees shall disclose all actual and potential conflicts of interest and appearances of a conflict of interest to the Board as soon as such actual or potential conflict or appearance of a conflict becomes known to the Employee.

§ 6. RECUSAL

No Member shall knowingly participate in a decision or action by the Committee in which the Member has an actual or potential conflict of interest, or the appearance of a conflict of interest. A Member's recusal as to a particular matter shall be stated on the record and reflected in the minutes. The reason for the recusal may, but need not be, stated. Upon recusal, the Member shall not participate in any review, discussion or recommendation of the matter.

§ 7. SANCTIONS

The Treasurer may, consistent with applicable law, take such actions the Treasurer deems appropriate if a Member fails to comply with the provisions of these Standards. Such actions may include:

1. A recommendation that the Member refrain from participation in a matter or matters pending before the Committee.
2. A recommendation that a Member repay or return any gift or benefit received by the Member.
3. A recommendation that a Member refrain from particular actions that the Treasurer determines constitute an actual or potential conflict, or the appearance of a conflict of interest, and are detrimental to public confidence in the Committee's integrity or independence.
4. A referral to the Vermont State Ethics Commission.