

Approved by the International Executive Board June 13, 2009

**SEIU CODE OF ETHICAL PRACTICES
AND CONFLICT OF INTEREST POLICY**

PART A: PREAMBLE AND APPLICABILITY

SEIU believes in the dignity and worth of all workers. We have dedicated ourselves to improving the lives of workers and their families and to creating a more just and humane society. We are committed to pursuing justice for all, and in particular to bringing economic and social justice to those most exploited in our community. In order to achieve our mission, we must develop highly trained and motivated leaders at every level of the Union who reflect the membership in all of its diversity.

Union members place tremendous trust in their leaders. SEIU elected officers and managers owe not just fiduciary obligations to union members but, given the moral purpose of our mission, SEIU leaders owe members the highest level of ethical behavior in the exercise of all leadership decisions and financial dealings on members' behalf. Members have a right to have proper stewardship over union resources and transparency in the expenditure 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 in SEIU. This Code of Ethical Practices and Conflict of Interest Policy strengthens the Union's ethics rules, practices and enforcement standards and thus enhances the Union's ability to accomplish its important mission.

We recognize that no code of ethics can prevent some individuals from violating ethical standards of behavior. We also know that this Code and Policy is not the only answer to creating and maintaining an ethical culture within the Union. To accomplish the goals for which this Code has been created, we must establish systems of accountability for all elected leaders and management staff. These systems must include appropriate checks and balances and internal operating systems and procedures that minimize the opportunity for misuse or abuse, as well as the perception of either, in spending union funds or exercising decision-making authority. The systems also must include adequate provision for training on how to understand and implement this Code and Policy. More broadly, we emphasize the importance of the range of standards, practices, and values described in the accompanying Recommendations for Strengthening SEIU's Ethical Culture, Section A of this report.

State and Federal laws and regulations govern many activities undertaken by Union officers and managers and must be complied with as part of our Union's commitment to maintain high standards of conduct. Although these laws and regulations are not part of, or enforceable through, this Code and Policy, their observance is part and parcel of creating the overall ethical culture we strive for.

This Code and Policy should be read together with the SEIU Constitution and Bylaws, and the SEIU Antiharassment and Antidiscrimination Policy and Procedure, which contain other important protections for members that are not contained or incorporated in this Code. These constitutional and policy provisions are enforceable under the Constitution or the antiharassment policy, not under the Code of Ethical Practices' enforcement mechanisms. In particular, 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. Its exclusive enforcement through the procedures set forth in Article XVII of the Constitution provides important additional commitments based on the democratic principles that have always governed SEIU. Article XVII's numerous protections against arbitrary or unlawful discipline of members also form an essential ingredient in the enhancement of the democratic life of the Union. Similarly, the requirement that local unions provide for regular meetings of the membership, set forth in Article XV, Section 5 of the Constitution, is another important element in the democratic functioning of SEIU. Finally, the prohibition against sexual harassment or discrimination on the basis of race, creed, color, religion, sex, gender expression, sexual orientation, national origin, citizenship status, marital status, ancestry, age or disability, contained in Article III, Section 4 of the Constitution and in the SEIU Antiharassment and Antidiscrimination Policy and Procedure, forbids conduct in violation of SEIU's historic belief that our strength comes from our unity and diversity, and that we must not be divided by forces of discrimination.

SECTION 1. *Applicability to International Union.* This Code of Ethical Practices and Conflict of Interest Policy shall be applicable to the International Union, Service Employees International Union (hereafter "SEIU" or "Union"), and to Affiliates, subject to the provisions of Sections 2 and 3.

SECTION 2. *Applicability to Affiliates.* The substance and procedures of this Code and Policy shall be binding upon each affiliated body, and Local Union of SEIU (jointly, "Affiliate"), as applied to its own officers and managerial employees, subject to the following and to the provisions of Section 3:

- (a) Wherever reference herein is made to SEIU and/or an SEIU program, department or position, the corresponding reference shall be to the particular Affiliate and or its program, department or position only.
- (b) Each Affiliate is responsible for enforcing the Code and Policy, and educating its covered officers and employees on the Code and Policy, in a manner consistent with the Code and Policy's terms, subject to assistance and oversight from SEIU.

SECTION 3. *Affiliates' Codes.* Notwithstanding the provisions of Section 2, each Affiliate may, at its option, adopt its own Code of Ethical Practices and Conflict of Interest Policy. Any such Affiliate Code of Ethical Practices and Conflict of Interest Policy must contain, at a minimum, the standards of conduct set forth in this Code and Policy.

SECTION 4. *Limitation on Scope of Code.* This Code and Policy does not include or encompass grievances by members that arise under a collective agreement

with an employer or complaints concerning alleged violations of the SEIU Constitution and Bylaws unless such complaints involve an allegation of a violation of this Code and Policy.

PART B: BUSINESS AND FINANCIAL ACTIVITIES OF SEIU, ITS OFFICERS AND EMPLOYEES

SECTION 5. General Duty to Protect Members' Funds; Members' Right to Examine Records.

- (a) The assets and funds of a labor organization are held in trust for the benefit of the membership. The membership is entitled to assurance that those assets and funds are not dissipated and are spent for proper purposes. The Union shall conduct its proprietary functions, including all contracts for purchase or sale or for the provision of significant services, in a manner consistent with the provisions of this Code and Policy. All officers and managerial employees of SEIU, whether elected or appointed, have a trust and high fiduciary duty to honestly and faithfully serve the best interests of the membership.
- (b) Consistent with Section 201 of the Labor-Management Reporting and Disclosure Act, SEIU shall permit a member for just cause to examine any books, records and accounts necessary to verify SEIU's annual financial report under that section to the U.S. Department of Labor.
- (c) Affiliates comprised solely of members employed by government bodies shall permit a member to examine its financial report submitted to a state agency and, consistent with state law, for just cause, to examine any books, records and accounts necessary to verify the Affiliate's financial report.

SECTION 6. Prohibited Financial Interests and Transactions. No officer or managerial employee of SEIU shall, to the best of his/her knowledge, have an ownership or other substantial financial interest which conflicts with his/her fiduciary duty. In particular, it shall not be permissible for any officer or managerial employee to:

- (a) knowingly have a substantial ownership or financial interest in any firm that engages in collective bargaining with SEIU or any of its affiliates; or
- (b) make or attempt to influence, or participate in any way in, a decision concerning the relations of SEIU or an Affiliate with a firm in which the officer or managerial employee, or his or her relative or business partner, has a substantial ownership or financial interest.
- (c) engage in any self-dealing transactions with SEIU or any of its affiliates, such as buying property from or selling property to SEIU, without the informed approval of the International Secretary-Treasurer (or local secretary-treasurer, as applicable) obtained after full disclosure, including an independent appraisal of the fair market value of the property to be bought or sold.

- (d) For purposes of these rules, a “substantial ownership or financial interest” is one which either contributes significantly to the individual’s financial well-being or which enables the individual to significantly affect or influence the course of the business entity’s decision making. A “substantial ownership or financial interest” does not include stock in a purchase plan, profit-sharing plan or ESOP.

SECTION 7. *Ownership of Certain Investment Vehicles Permitted.* As long as there is compliance with the terms of Section 3 above, this Code and Policy is not intended to preclude officers or managerial employees of SEIU from owning publicly traded shares of any employer that SEIU or an Affiliate seeks to organize or that does business with or that engages in collective bargaining with SEIU or its affiliates, through a mutual fund or other similar investment vehicle, provided that all transactions affecting such interests are consistent with rates and terms established by the open market. Further, this Code and Policy does not apply to investments held in a blind trust.

SECTION 8. *Payments and Gifts from Certain Employers, Members and Vendors.*

- (a) No officer or managerial employee of SEIU shall knowingly accept any non de-minimis personal payment or gift (1) from any employer that engages in collective bargaining with SEIU or its Affiliates, or (2) from any business or professional firm that does business or seeks to do business with SEIU or any of its Affiliates, other than regular pay and benefits for work performed. With respect to an item that cannot be returned, such as holiday perishables, it shall be considered compliance with this Section to discard such an item or place it in a common area for the office staff to enjoy. Further, participation in events hosted by public officials involving discussion of public policy matters is not covered by this Section.
- (b) No officer or managerial employee of SEIU shall knowingly accept any personal payment or gift from any member, absent a personal relationship independent of the relationship between the Union and the member, other than a gift of minimal financial value. This provision does not apply to contributions to campaigns for union office made in accordance with the SEIU Constitution and Bylaws.

SECTION 9. *Conversion of Union Funds or Property.* No officer or managerial employee of SEIU shall convert or divert any funds or other property belonging to SEIU to such individual’s personal use or advantage.

SECTION 10. *Applicability to Third Parties.* The principles of this Code and Policy apply to those investments and activities of third parties that amount to a subterfuge to conceal the financial interests of SEIU officers or managerial employees.

SECTION 11. *Certain Loans Prohibited.* SEIU shall not make loans to any officer or employee, or to any of their family members, in excess of \$2,000 in total indebtedness on the part of such officer, employee or family member.

PART C: BENEFIT FUNDS AND RELATED ORGANIZATIONS

SECTION 12. *Prohibited Conduct and Transactions.* No SEIU officer or managerial employee who serves in a fiduciary position with respect to, or who otherwise exercises responsibilities or influence in the administration of, a retirement, health or welfare benefit fund or plan, or other organization related to SEIU, shall:

- (a) have any substantial financial interest in, or any compromising personal ties to, any investment manager, insurance carrier, broker, consultant or other firm doing or seeking to do business with the fund or plan; or
- (b) accept any personal payment or gift from any business or professional firm that does business or seeks to do business with, the fund, plan or organization other than contractual payment for work performed; or
- (c) cause funds of SEIU and the related organization to be commingled; or
- (d) cause obligations of SEIU to be paid for by the related organization, or obligations of the related organization to be paid for by SEIU, unless approved by the organization making the payment.
- (e) For purposes of these rules, (i) a benefit “fund” or “plan” means a fund or plan sponsored by SEIU, or in which SEIU participates; and (ii) an organization “related to” SEIU means an organization with a governing board at least 25% of whose membership consists of SEIU officers or employees, or at least 50% of whose funding is provided by SEIU.
- (f) This provision does not cover authorized contributions from and by SEIU to a related organization.

SECTION 13. *Compensation from Benefit Funds.* No officer or managerial employee of SEIU shall receive compensation of any kind from a fund established for the provision of health, welfare, or retirement benefits for serving as an employee representative or labor-designated trustee on such employee benefit fund or plan, except for reimbursement of reasonable expenses properly and actually incurred and provided uniformly to such representatives or trustees. It is not a violation of this provision for an officer or managerial employee who is not a full-time employee of the SEIU or of an affiliate to be a lawfully paid employee of a retirement, health or welfare fund, provided such employment is consistent with applicable legal restrictions, and fully disclosed through appropriate available reports.

SECTION 14. *Duty to Safeguard Union’s Status.* SEIU officers and managerial employees will assist SEIU in safeguarding its separate legal status with respect to related organizations.

SECTION 15. *Related Organization Code of Ethics.* SEIU will condition contributions to a related organization on that organization's adoption and submission to SEIU of a code of ethics.

PART D: FAMILY AND PERSONAL RELATIONSHIPS

SECTION 16. *Purpose of Rules Governing Family and Personal Relationships.* SEIU does not prohibit the employment of qualified relatives of current officers or employees, or of individuals with whom an employee is having a romantic or intimate personal relationship ("personal relationship"). SEIU also does not prohibit the retention of qualified vendors that employ relatives of current SEIU officers or employees, or individuals with whom an employee is having a personal relationship, or of qualified vendors in which such officers, employees or individuals have a financial interest. However, the existence of such relationships can lead to problems, including favoritism or the appearance of favoritism toward relatives or those who are involved in a personal relationship. Giving these individuals special treatment – or creating the impression that they receive special treatment – is inconsistent with our principles and our duty to responsibly conduct the business of SEIU. The provisions of this Part are designed to ensure that family or personal relationships do not influence professional interactions between the employees involved, with other employees, or with vendors or potential vendors.

SECTION 17. *Definitions.* For purposes of this Part:

- (a) "Relative" means parent, spouse, spousal equivalent 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. Domestic partner relatives are covered to the same extent as spousal relatives.
- (b) "Personal Relationship" means an ongoing romantic or intimate personal relationship that can include, but is not limited to, dating, living together in an intimate way, or being a significant other. This definition applies to heterosexual, gay and lesbian relationships.
- (c) "Employee" includes officers.

SECTION 18. *Prohibited Conduct.* The following general principles will apply:

- (a) Applications for employment by relatives and those who have a personal relationship with an employee of SEIU or an SEIU vendor will be evaluated based on the same qualification standards used to assess other applicants.

- (b) Officers, managers and supervisors will not make hiring decisions about their relatives or a person with whom they have a personal relationship, or attempt to influence hiring decisions made by others.
- (c) A supervisory employee will not supervise a relative or a person with whom he or she has a personal relationship. Unless there are particular operational difficulties, relatives or employees who have a personal relationship generally are permitted to work in the same department, provided no direct reporting or supervisor-to-subordinate relationship exists.
- (d) No employee, including officers, managers and supervisors, will make work-related decisions, or provide input into work-related decisions made by others, 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, but is not limited to, decisions about hiring, wages, hours, benefits, assignments, evaluations, training, discipline, promotions, and transfers.
- (e) Any exceptions to the provisions of this Section must be approved in writing by the Department/Program Head and the Human Resources Director.

PART E: ADDITIONAL REQUIREMENTS AND PROHIBITIONS

SECTION 19. *Persons Convicted of Felonies.* No person shall serve as an officer or managerial employee of SEIU who has been convicted of any felony involving the infliction of grievous bodily injury or any felony involving abuse or misuse of such person's position or employment in a labor organization or employee benefit plan to seek or obtain an illegal gain at the expense of the members or the beneficiaries of the employee benefit plan, except for the limited exceptions as may be set forth in applicable federal law.

SECTION 20. *Failure to Cooperate with Investigation.* Unreasonable failure by a covered individual to fully cooperate with an investigation into, or a proceeding involving, an alleged violation of this Code and Policy, shall constitute an independent violation of this Code and Policy.

SECTION 21. *Compliance.* Each officer or managerial employee shall annually acknowledge that he/she has received a copy of the Code and Policy, that he/she has read and understands the Code and Policy, that he/she has agreed to comply with the Code and Policy. He/she must disclose to the Ethics Ombudsperson or the Affiliate Ethics Liaison, as appropriate, those interests, transactions, or relationships that give rise to a potential conflict of interest at the time that such potential conflict occurs. The Ethics Ombudsperson shall also conduct periodic reviews for purposes of monitoring compliance with, and enforcement of, this Code and Policy. Such reviews may consider, among other things, whether partnerships, joint ventures, and arrangements with management organizations conform to this Code and Policy, are properly recorded,

reflect reasonable investment or payments for goods and services, further SEIU's tax-exempt purposes and do not result in inurement, in impermissible private benefit, or in an excess benefit transaction.

PART F: PROTECTION OF WHISTLEBLOWERS

SECTION 22. *No Retaliation.* SEIU encourages all employees to bring to the attention of the Union, as set forth more fully in Part G below, any allegation that this Code and Policy has been violated. Such allegations shall be referred for appropriate action or investigation. If, after the conclusion of an investigation, a violation is found to have occurred, then appropriate disciplinary and/or corrective action shall be taken, as described in Part G. Further, SEIU expressly prohibits retaliation against employees for making good faith complaints, reports or inquiries pursuant to this Code and Policy. Any act of alleged retaliation should be reported immediately and will be promptly investigated. SEIU reserves the right, however, to discipline persons who make bad faith, knowingly false, or harassing complaints, reports or inquiries.

SECTION 23. *Confidentiality.* SEIU will treat all communications under this Part in a confidential manner, except to the extent necessary 1) to conduct a complete and fair investigation, 2) for review of SEIU operations by the International Executive Board, SEIU's independent public accountants, and/or SEIU's legal counsel, or 3) as otherwise authorized for release or use by the reporting individual. Notwithstanding the exceptions in this section, SEIU will keep confidential the identity of any person(s) filing a complaint of violation of the Code and Policy, unless disclosure is authorized by the complainant(s) or required for SEIU to carry out its fiduciary or other legal duties.

PART G: ENFORCEMENT

SECTION 24. *Ethics Officer.* The office of the Ethics Officer is hereby established. The Ethics Officer shall be an individual of unimpeachable integrity and reputation, preferably with experience in ethics, law enforcement and the workings of the labor movement. The Ethics Officer shall provide his or her services under contract and shall not be employed by the International Union or any of its Affiliates. The primary responsibility of the Ethics Officer is to assist in the implementation and enforcement of the Code and Policy. The Ethics Officer shall be appointed by the International President and confirmed by the International Executive Board.

SECTION 25. *Ethics Ombudsperson.* The position of Ethics Ombudsperson is also established. The Ethics Ombudsperson is responsible for assisting the Ethics Officer, directing the training of SEIU and Affiliate officers and staff concerning the Code and Policy, providing assistance to the International Union and Affiliates on questions relating to the Code and Policy, and providing other support as necessary with respect to the overall SEIU ethics program. The Ethics Ombudsperson shall be employed in the SEIU Legal Department.

SECTION 26. *Ethics Liaison.* Each Affiliate will appoint an Ethics Liaison who will serve as the Affiliate's key contact with the International's Ethics Ombudsperson, an individual whom members and staff can approach for ethics advice or questions, who will assist in enforcement of the Code and Policy, and who will oversee the delivery of ethics-related training. This individual will receive training from the International Union specific to the role.

SECTION 27. *Complaints – Filing.* Any member may file a written complaint concerning alleged violations of the Code and Policy. Complaints of alleged violation of the Code and Policy that are submitted to the International Union or the Ethics Officer shall be referred initially to the Ethics Ombudsperson. Verbal complaints shall be reduced to writing for further processing. Complaints shall be signed or contain the name of the complainant(s), and shall be kept confidential pursuant to Section 23. The International Union shall provide an address to which written complaints may be submitted and shall post that address on the SEIU website. In addition, each Affiliate shall provide its membership with the name and address of the Affiliate Ethics Liaison to whom complaints of alleged violation of the Code and Policy may be submitted.

SECTION 28. *Complaints – Initial Disposition and Referral.* The Ethics Ombudsperson shall review the complaint to determine a) whether it alleges a violation of the Code and Policy, and, if so b) whether it should be referred to an Affiliate for further processing, or c) whether it should be referred to the Ethics Officer for further processing. The determination whether to refer a matter to the Ethics Officer or to an Affiliate shall be based on the nature of the allegations and the position(s) held by the officer(s) or employee(s) who are the subject of the complaint. If the complaint received by the Ethics Ombudsperson does not allege a violation of the Code and Policy, it shall not be further processed under this Part. The Ethics Ombudsperson shall notify the complainant of the status of the complaint following his or her review.

SECTION 29. *Complaints Handled by Affiliates; Notice to Ethics Ombudsperson.* Complaints of alleged violations of the Code and Policy that are filed with or referred to an Affiliate shall be investigated by the affected Affiliate and, where appropriate, may form the basis of employee discipline or formal internal union charges to be processed before a trial body in accordance with the requirements set forth in the Affiliate's constitution and bylaws and/or the SEIU Constitution and Bylaws. An Affiliate shall notify the Ethics Ombudsperson of any complaint against the Affiliate's president (or chief executive officer), or against the Affiliate's secretary-treasurer (or chief financial officer), by sending a copy of such complaint to the Ethics Ombudsperson. Upon request, the Ethics Ombudsperson shall advise an Affiliate concerning matters related to the investigation and processing of complaints and charges alleging violation of the Code and Policy. The Ethics Ombudsperson may consult with the Ethics Officer concerning any question referred by an Affiliate.

SECTION 30. *Requests for Original Jurisdiction.* If the Local Union, Local Union Executive Board, a Local Union officer, or a Local Union member or members, believe that formal internal union charges alleging violation of this Code and Policy filed against

a member or officer of a Local Union involve a situation which may seriously jeopardize the interests of the Local Union or the International Union or that the hearing procedure of the Local Union will not completely protect the interests of a member, officer or Local Union, such party may request that the International President assume original jurisdiction under Article XVII, Section 2(f) of the SEIU Constitution and Bylaws. The International President shall forward the request to the Ethics Officer, who may make a recommendation to the International President concerning the request.

SECTION 31. *Assumption of Original Jurisdiction by International President.* In accordance with Article XVII, Section 2(f) of the SEIU Constitution and Bylaws, the International President may also assume original jurisdiction of formal internal union charges alleging violation of this Code and Policy if he or she as a result of an investigation believes that the charges filed against a member or officer involve a situation which may seriously jeopardize the interests of the Local Union or the International Union. The International President shall refer the matter to the Ethics Officer for a recommendation concerning the possible assumption of original jurisdiction.

SECTION 32. *Ethics Officer – Review and Advice.* The International President, the International Secretary-Treasurer, or the IEB may refer matters concerning the Code and Policy to the Ethics Officer for review and/or advice.

SECTION 33. *Referral of Formal Charges to Ethics Officer.* If formal internal union charges under Article XVII, Section 3 of the SEIU Constitution and Bylaws alleging violation of the Code and Policy by a Local Union or International Union officer are filed with the International Union, such charges shall be initially referred to the Ethics Officer for review and recommendations (if any).

SECTION 34. *Review of Claims by Ethics Officer.* If the Ethics Officer concludes, after review of the allegations in a complaint or formal charge, that the claim or claims of Code and Policy violations are frivolous or without merit, or that further investigation is not necessary, he or she shall advise all relevant parties of his or her findings.

SECTION 35. *Ethics Officer’s Authority to Direct International Union Response.* If the Ethics Officer finds that the complaint or charges have merit and/or warrant further investigation, he shall direct the International Union’s course of action in responding to the complaint or charges through recommendations to the International President or the IEB, including but not limited to recommendations of any of the following:

- (a) further investigation by SEIU personnel and/or outside investigator(s);
- (b) filing formal charges under Article XVII of the SEIU Constitution and Bylaws;
- (c) assumption of original jurisdiction by International President pursuant to Article XVII, Section 2(f) of the SEIU Constitution and Bylaws;

- (d) appointment of outside hearing officer to conduct a trial under Article XVII, Section 3 of the SEIU Constitution and Bylaws;
- (e) discipline of covered employees; and/or
- (f) proposed sanction of officers or members accused in formal proceedings

SECTION 36. *Ethics Program Annual Report.* The Ethics Officer, in consultation with the Ethics Ombudsperson, will issue an Ethics Program Annual Report summarizing Code and Policy enforcement actions, training, compliance, and related activities and statistics concerning the SEIU ethics program, and may make recommendations for such revisions to the program as he or she believes would enhance the program's effectiveness.

SECTION 37. *Duty to Read and Apply Code and Policy.* A copy of the Code and Policy shall be provided to each officer and employee of the International Union, and to each Affiliate for distribution to its officers and covered employees. It is the duty and obligation of every person covered by the Code and Policy to read and abide by its provisions.