MISUSE OF CITY OFFICE

by

Christopher M. Hammer
Deputy General Counsel
NYC Conflicts of Interest Board

A. Introduction

Public servants are prohibited from using their City positions to obtain any financial gain or advantage for themselves, their immediate family, or their associates. Under the City’s ethics law, public servants owe the City a duty of undivided loyalty. In addition, Board Rules § 1-13 specifically prohibits public servants from using City time, letterhead, personnel, equipment, resources, or supplies for any non-City purpose. Board Rules § 1-13 also prohibits public servants from causing or inducing other public servants to violate the ethics law.¹

B. Use of City Office for Personal Gain

Charter § 2604(b)(3) prohibits a public servant from using or attempting to use his or her City position to obtain any financial gain, contract, license, privilege, or other private or personal advantage, direct or indirect, for themselves or for any person or firm with whom or with which they are associated. A person or firm “associated” with the public servant means the public servant’s spouse, domestic partner, child, parent, or sibling; a person with whom the public servant has a business or other financial relationship; and each firm in which the public servant has a present or potential interest.² A public servant need not be actually aware of the conduct giving rise to a § 2604(b)(3) violation to be found liable. If that public servant “should have known” of the conduct, he or she is liable for it.³

The Board has consistently advised that the prohibition against using one’s City position for the benefit of one’s “associates” means, among other things, that a public servant must fully recuse himself or herself from all matters that might benefit an associated party. Recusal means, without limitation, not participating in discussions or meetings regarding the matter in question and not receiving copies of relevant documents. If, for example, a public servant’s sibling is applying for a job at the public servant’s City agency, that public servant will violate the conflicts of interest law not only by sitting on the hiring committee but also merely by forwarding the sibling’s resume to the committee. The Charter, however, contains three limited exceptions to the recusal requirement:⁴ one specific to community board members, permitting discussion, but not voting, on matters that might advantage an interest of the community board member;⁵ one permitting, on disclosure to the Board, actions that benefit an interest with
a value below $10,000; and one permitting, again on disclosure to the Board, certain actions by elected officials that might benefit the official or an associated party.

The Board examined this last exception in Advisory Opinion Number 2009-2 in the context of City Council Members’ sponsorship of discretionary awards of funding to not-for-profit organizations. The Board determined that, because the exception applies only to the essential functions of elected officials, a Member may vote on the budget, but may not sponsor discretionary awards that would benefit associated persons or firms. The Opinion then addressed a number of scenarios that arise with respect to such possible sponsorships and determined that a Council Member: (i) could not sponsor funding for an organization that the Member served as a paid employee, officer, or director; (ii) could not sponsor funding for an organization that the Member served as an unpaid board member, unless the Member served ex officio, that is, as part of his or her official duties rather than as a personal activity; (iii) could sponsor funding for an entity for which the Member was an “honorary,” unpaid board member, with no legal rights or responsibilities; (iv) could sponsor funding for an entity where the Member’s spouse, domestic partner, parent, child, sibling, or other associated party was a paid officer or employee only if it did not appear reasonably likely that the associated party would benefit from that funding; (v) could sponsor funding for an organization where a person “associated” with the Member was an unpaid board member; and (vi) could sponsor funding for an organization where a member of the Member’s Council staff had some affiliation, because public servants are not associated with their subordinates within the meaning of the conflicts of interest law. Because these determinations apply the general rule against taking official actions to benefit associates, they are relevant beyond the context of such discretionary awards.

The exception that permits an elected official to vote on a matter that would benefit a person or firm “associated” with the official requires that the official disclose the conflict to the Board and also on the official records of the body in question. In 2015 the Board thus fined a former Member of the City Council $9,000 for, among other things, failing to make this required disclosure at the time he voted at the Council on three resolutions concerning a developer of affordable housing, a developer who was also the Member’s landlord. In admitting this misconduct, the former Council Member acknowledged that he had violated Section 2604(b)(3).

Because public servants are associated with their children within the meaning of the conflicts of interest law, and because a supervisor inevitably will take actions to benefit his or her subordinates, if only by not firing them, a public servant may not supervise his or her children or other associated persons. In Advisory Opinion Number 2004-3, for example, the Board determined that it would violate Chapter 68 for a person to serve on a community board that employed on the board’s staff an “associate” of that person. In 2010 the Board thus fined the former Chief of Staff for a City Council Member $2,500 for directly supervising his daughter, a Councilmanic Aide, during her five-year tenure in the Member’s district office. Similarly, because living with another person unavoidably means having a financial relationship with that person (and thus being “associated” within the meaning of the conflicts of interest law), the Board fined a
In 2015, the Board imposed a $10,000 fine on the Queens Republican Commissioner of the New York City Board of Elections (“BOE”) for using his position to twice promote his daughter’s domestic partner to higher positions in the BOE Queens borough office. While Chapter 68 does not explicitly include a public servant’s in-laws within its definition of “associated” parties, it does include children, including the Commissioner’s son, who plainly benefitted from his domestic partner’s continued employment at BOE. Similarly, in 2017, the Board fined the Queens County Public Administrator $3,000 for hiring her son’s girlfriend to work at the Queens County Public Administrator’s Office. After they became engaged in 2015, the son and his now-fiancé moved in together. The Public Administrator continued supervising her son’s live-in fiancé for approximately one year, providing an indirect benefit to her son in violation of § 2604(b)(3). The Board’s penalty took into account the Public Administrator’s high-level position, as well as the lack of evidence that she treated the fiancé differently than her other employees.

In 2015, in imposing a $3,000 fine on the Executive Director of a facility of the New York City Health and Hospitals Corporation (“HHC”) for authorizing a 10% pay increase for his brother, who was also employed at the facility, the Board implicitly recognized that a high ranking employee in a City agency will not necessarily be in violation of the ban on supervising an associated person simply because a lower ranking employee in the same City agency is an associated person. The Board emphasized, however, that such a higher ranking employee may take no action to benefit the lower ranking employee and noted that the HHC Executive Director plainly violated that prohibition by approving his brother’s raise.

The Board has also made clear that the prohibited “private or personal advantage” need not be financial. In Advisory Opinion Number 93-21, the Board advised that elected officials’ nominations of family members to unpaid community board positions would violate § 2604(b)(3) because of the “certain degree of power and prestige in holding such a position.” In COIB v. Campbell Ross, an Assistant District Attorney used her office to obtain a private benefit for her husband by summoning a police officer, who was a witness against her husband in a traffic matter, to a grand jury in an unrelated case in which the officer had no involvement, in order to delay or prevent the officer from testifying against her husband. The Board fined Campbell Ross $1,000. In a similar case, the Board found that a City official’s attempt to use his official position to restore his personal electrical service with Con Edison violated Charter § 2604(b)(3) as an attempt to misuse position to secure a personal advantage. In 2015, the Board entered into a joint disposition between HHC and the former Senior Director for Human Resources at HHC for, among other violations, creating a volunteer internship position in Human Resources for her daughter and directing her subordinates to supervise her daughter’s work. For these and for other infractions involving misuse of her position, the former Senior Director paid a $12,000 fine.

Violations of Charter § 2604(b)(3) are punishable by civil fines of up to $25,000, plus the Board can order payment to the City of the value of any benefit obtained by the former principal for the New York City Department of Education $3,000 for supervising his live-in girlfriend, an assistant principal at his school, for one year and eight months.
public servant as a result of the violation. Thus, in 2012, the former Director of Central Budget for the New York City Department of Education ("DOE"), who used his City position to obtain a DOE job for his wife, paid the Board a $15,000 fine plus the value of the benefit he received as a result of his violations, namely, the total of his wife’s net earnings from her employment at DOE, in the amount of $32,929.29, for a total financial penalty of $47,929.29. The Board may also recommend the public servant’s suspension or removal from City office or employment. Violations of § 2604 or § 2605 are also misdemeanors that may be prosecuted by a District Attorney’s Office.

By regulating certain private activities of public servants, the Board seeks to insure that public servants do not obtain any advantage by virtue of their offices. For example, in Advisory Opinion Number 95-22, the Board prohibited a public servant from serving as a paid director on two cooperative boards because in his City job he was a manager of an agency that considered matters affecting the co-ops. Similarly, the Board in Advisory Opinion Number 95-11, prohibited a public servant from serving on a co-op board on § 2604(b)(3) grounds because he was in charge of the agency division that administered loans for which the co-op was applying. The Board in Advisory Opinion Number 93-14 prohibited a public servant from continuing to serve on the board of directors of a not-for-profit real estate development corporation if the corporation acquired property subject to the jurisdiction of the public servant’s agency. In contrast, in Advisory Opinion Number 2006-4, the Board permitted a public servant to accept a discount offered to government employees by hotel chains, car rental agencies, cellular service providers, or other similar vendors, for the City employee’s private use, where the discount is available generally to all government employees and the vendor has been made aware that the City employee is not on official business.

In Advisory Opinion Number 98-12, dealing with sales of beauty products in the workplace, the Board prohibited public servants from selling anything to their subordinates or from requesting charitable contributions from their subordinates. However, subordinates could sell products to or solicit contributions from their superiors up to $25. In Advisory Opinion Number 2004-2, the Board, applying the ban in Charter § 2604(b)(14) against financial relationships between superiors and subordinates, determined that City superiors and subordinates could not participate together in a sou-sou, an informal savings club. Similarly, in Advisory Opinion Number 2017-5, the Board advised that public servants may not enter into lottery pools with superiors and subordinates because doing so creates a financial relationship prohibited by § 2604(b)(14).

The Board has held that Section 2604(b)(3) prohibits public servants from practicing law in circumstances where their City jobs would give them an advantage. In Advisory Opinion Number 93-23, a law enforcement officer who in his official capacity was deemed a police officer, and who was also an attorney, was not permitted to represent defendants charged with criminal offenses because a perception could be created that he was using his City position to obtain preferential treatment for his private clients. In Advisory Opinion Number 95-17, a public servant who served as a full-time aide to a City Council Member was not permitted to practice law part-time with a firm where more than one-third of the firm’s business consisted of matters involving the City.
and the official duties of the public servant involved working in some of the same areas of the law in which the firm was active and with some of the same City agencies.

The Board has also restricted lobbying by public servants where these activities could appear to violate Charter § 2604(b)(3). For example, in Advisory Opinion Number 94-28, the Board prohibited a City Council Member from contacting City agencies, elected officials, and community boards on behalf of a developer with whom the Council Member had a financial relationship.

In *Holtzman v. Oliensis*, the landmark case construing Section 2604(b)(3), the New York Court of Appeals upheld the Board’s finding that the former City Comptroller, Elizabeth Holtzman, had violated Charter § 2604(b)(3) by using her office to obtain a personal advantage in dealing with a creditor of her campaign committee for U.S. Senate. The Court of Appeals upheld the Board’s $7,500 fine and Decision and Order that Holtzman’s use of her City office to obtain a three-month delay in the debt collection process was the type of impermissible advantage that Charter § 2604(b)(3) prohibited. In *Holtzman*, the creditor’s affiliate had responded to the Comptroller’s Request for Proposals for City bond business. Holtzman had used this fact to impose a “quiet period” in which the creditor could not discuss with Holtzman the repayment of a loan, which she had personally guaranteed, for three months. Rejecting Holtzman’s claims that she was not actually aware of her office’s dealings with the creditor, the Court of Appeals held: “A city official is chargeable with knowledge of those business dealings that create a conflict of interest about which the official ‘should have known.’”

In contrast with *Holtzman*, where the former Comptroller had a business relationship with the lender to her campaign before the lender’s affiliate sought bond business with her City office, the Board in 2011 fined a former Borough President $10,000 for hiring an architect to design improvements on his home when the architect was already involved in a project that would require the Borough President’s official review. The former Borough President admitted that he did not receive a bill from the architect for two years after the construction work in question was completed and paid that bill only after the press had contacted him about the architect’s services. In a 2013 application of this prohibition, in a joint resolution with the Board and the New York City School Construction Authority (“SCA”), an SCA Project Officer agreed to serve a six-week suspension, valued at approximately $10,400, for soliciting a $15,000 loan from an SCA contractor, as well as for soliciting and accepting a part-time position with a firm whose work he supervised for SCA.

In *COIB v. Katsorhis*, the Board found that the former New York City Sheriff violated Charter § 2604(b)(3) by using the supplies, equipment, personnel, and title of his City office to engage in the private practice of law. Finding that his habitual misuse of his City office benefited both Katsorhis and his law firm, with which he had a financial or business relationship, the Board fined him $84,000. Similarly, in 2008, the Board concluded a settlement imposing a $15,000 fine on the former chair of the New York City Civil Service Commission (“CCSC”) for using the staff, equipment, and facilities of the CCSC office to perform tasks related to his private law practice.
In *COIB v. Vella-Marrone*, the Board fined a former SCA official $5,000 for using her position to obtain a job at SCA for her husband and for attempting to obtain a promotion for him. In *COIB v. Finkel*, the Board fined a member of the New York City Housing Authority (“NYCHA”) $2,250 for using his office to help his daughter obtain a computer programming job with a company with a $4.3 million contract with NYCHA.

In *COIB v. Turner*, the Board fined the New York City Human Resources Administration (“HRA”) Commissioner $6,500 for hiring his business associate as his first deputy commissioner; for using his executive assistant to perform tasks for his private company; for using City time and equipment for his private work; and for renting an apartment from his subordinate.

In *COIB v. Hoover*, the Board fined the First Deputy Commissioner of HRA $8,500 for using a City subordinate to perform private work for him, for using City resources in furtherance of his private consulting business, for using his position to obtain payment for renting out his apartment to a visiting consultant, and for renting out his apartments to subordinates and to his superior.

In *COIB v. Kerik*, the Board fined former Police Commissioner Bernard Kerik $2,500 for using three New York City police officers to perform private research for him. He used information the officers gathered to prepare a book about his life that was published in November 2001.

In *COIB v. Denizac*, in a joint agreement with the Board of Education (“BOE”), an interim principal was fined $4,000 and admitted that she had asked school aides to perform personal errands for her on school time. Specifically, she asked them to go to a Marshall’s Office to deliver payment of her scofflaw fine and also asked them to deliver a loan application on her behalf.

In *COIB v. Sass*, the former Director of Administration of the Manhattan Borough President’s Office used her position to authorize the hiring of her own private company and her sister’s company to clean her City office. She was found to have violated Sections 2604(a)(1)(a), 2604(b)(2), and 2604(b)(3) and was fined $20,000. Similarly, in 2016, after a full hearing, the Board imposed a $42,000 fine on a former NYCHA Property Maintenance Supervisor, assigned to Sotomayor Houses, for using her position to financially benefit a private construction company owned and operated by her husband. Specifically, the Property Maintenance Supervisor: 1) made the company eligible to receive NYCHA small procurement contracts, by adding it to the list of approved NYCHA suppliers, ultimately resulting in the award of 39 small procurement contracts, totaling $96,000, which did not require competitive bidding; 2) personally awarded 11 procurement contracts to the company for work at Sotomayor Houses; and 3) recommended the company’s services for work at another NYCHA housing development.

The Board also fined a Building Inspector for the New York City Department of Buildings $1,000 for using a City telephone for his private home inspection business. The Building Inspector had private business cards printed that showed his City telephone
number. As a result of this case, he ceased the practice of using City phones for private business and destroyed all the offending business cards.\textsuperscript{35}

In \textit{COIB v. Ashimi}, in a joint disposition with the Board and the New York City Department of Transportation ("DOT"), a DOT Assistant Director of Contracts agreed to irrevocably resign from DOT and to pay a $10,000 fine for the Board for soliciting and receiving from two contractors whose work he oversaw at DOT a total of $58,500 in donations, over the course of seven and one-half years, to the church in Staten Island he served in his private capacity as President, Pastor, and Trustee. Some of these funds went to his purely personal, non-church expenses, including car payments, phone bills, and a trip to Africa. The Assistant Director of Contracts admitted that, by soliciting and accepting the donations, he misused his DOT position in violation of § 2604(b)(3) to benefit the church with which he was associated and, by accepting the donations to his church from DOT vendors, which funds he then used for personal expenses, he accepted prohibited valuable gifts in violation of § 2604(b)(5).\textsuperscript{36} In Advisory Opinion Number 2008-6, the Board repeated the admonition that where a public servant has, as the Assistant Director of Contracts did, a personal "association" with a not-for-profit organization, such as when the public servant is a member of the organization’s board of directors, the public servant may not use his or her City position for the benefit of the organization. In that Opinion the Board cited, as another example of such impermissible fundraising, a public warning letter it issued in 2008 to an agency head for providing a list that included the representatives of firms with present and potential business before his agency to an out-of-state not-for-profit on whose board the agency head served in order that these individuals might be invited to a fundraising event of the not-for-profit.\textsuperscript{37}

In \textit{COIB v. Blake-Reid},\textsuperscript{38} the Board and the Board of Education ("BOE") concluded a settlement with a BOE official who agreed to pay a fine of $8,000 for repeatedly directing her subordinates, over a four-year period, to work on projects for her church and for a private children’s organization, on City time and using City copiers and computers.

In \textit{COIB v. Mumford},\textsuperscript{39} the Board and the New York City Department of Education ("DOE") concluded a settlement with a DOE teacher who was involved in the hiring and payment of her husband’s company to write a school song for the school where she worked. The teacher was fined $5,000 for the improper payment of $3,500 to her husband’s company and an additional $2,500 for the conflicts of interest violation, for a total fine of $7,500. In 2004, the Board fined a Deputy Commissioner of the New York City Office of Emergency Management ("OEM") $3,500 for hiring his girlfriend, with whom he had a financial relationship that included a joint bank account and co-ownership of shares in a cooperative apartment, to take photographs for OEM.\textsuperscript{40} Similarly, in 2006 the Board and the DOE reached a three-way disposition with a DOE employee who had twice hired his daughter to work in a youth summer employment program that he supervised. The employee agreed to repay DOE the $1,818 that his daughter had earned and to receive training regarding conflicts of interest.\textsuperscript{41}

In \textit{COIB v. Adams},\textsuperscript{42} the Board concluded a settlement with a former officer of a community school board who had testified at an administrative hearing in her official capacity on behalf of her sister, an assistant principal, without disclosing the family
connection. Ms. Adams, who had been removed from the community school board by the Chancellor because of this conduct, agreed to pay the Board a fine of $1,500 in settlement of the Board’s proceeding.

In COIB v. Andersson, the Board concluded a settlement with the Commissioner of the Department of Records and Information Systems (“DORIS”) in which he agreed to pay a fine of $1,000. The Commissioner acknowledged that he had used DORIS records to conduct genealogy research for at least four private clients, in violation of the prohibition against public servants using City office for private gain and against using City time and resources for non-City purposes.

In COIB v. Thompson, the Board concluded a settlement with the Kings County District Attorney, in which he agreed to pay a fine of $15,000. The District Attorney acknowledged that he had members of his security detail advance their own money to pay for his meals and that those security detail members had been reimbursed from the Kings County District Attorney’s Office (the “Office”) for those purchases, which totaled $2,043; that he had the members of his security detail advance their own money for other purchases totaling $1,992, for which the District Attorney periodically reimbursed the Office; and that he received reimbursement totaling $1,489 from the Office for his weekday evening and weekend meals incurred while working. In determining the amount of the fine, the Board took into account the high level of accountability required by the District Attorney’s position and that, prior to the Board’s commencement of an enforcement action, the District Attorney had reimbursed that Office for all funds it had improperly paid for his meals.

In 2017, the Board imposed a $75,000 fine, reduced to $5,000 on a showing of financial hardship, on a former Traffic Enforcement Agent IV at the New York City Police Department (“NYPD”) for his multiple violations of the City’s conflicts of interest law, primarily relating to his work for his private business, Junior’s Police Equipment, Inc. (“Junior’s”). In particular, the former Traffic Enforcement Agent: 1) submitted an application on behalf of Junior’s to be added to the NYPD authorized police uniform dealer’s list; 2) submitted a letter to the NYPD Commissioner, asking that Junior’s be permitted to obtain a license from the NYPD to manufacture and sell items with the NYPD logo; 3) arranged with the commanding officer at the NYPD Traffic Enforcement Recruitment Academy (“TERA”) to sell uniforms for Junior’s there and presented a sales pitch at TERA to a group of recruits – all on-duty public servants commanded to attend, taking in, over a two-day period, more than $32,781 in orders at TERA and receiving $3,704.85 in cash and credit card deposits; 4) over a three-month period, worked for Junior’s at times when he was supposed to be working for the City; 5) over a thirteen-month period, used his NYPD vehicle, gas (approximately two tanks of gas per week), and NYPD EZ-Pass ($8,827.93 in tolls) to conduct business for Junior’s, to commute on a daily basis, and for other personal purposes; 6) on 26 occasions, used his police sirens and lights in non-emergency situations in order to bypass traffic while conducting business for Junior’s, commuting, and engaging in other personal activities; and used an NYPD logo on his Junior’s business card without authorization. The Traffic Enforcement Agent engaged in the above conduct in contravention of prior advice from Board staff, which directed that he seek the Board’s advice if he ever wanted to apply to...
become an NYPD uniform dealer and that warned him not to use City time or resources for his outside activities, or to appear before the City on behalf of Junior’s.  

The Board has fined a number of City supervisors for using their positions as supervisors to obtain benefits for themselves and their associates through the use of their City subordinates to perform personal tasks. For example, in 2013, the Board and the DOE concluded a joint settlement with an assistant principal who paid a $6,000 fine to the Board. The assistant principal admitted that, among other things, he misused his position by having a subordinate babysit his three children in the mornings before school and by allowing his daughter to attend the DOE school where the assistant principal worked without enrolling her, thus avoiding payment of non-resident tuition, in violation of Charter § 2604(b)(3). More recently, in 2017, the Board fined a former DOE employee $1,000 for having a DOE intern use a DOE computer and DOE Westlaw account to perform legal research related to her personal lawsuit against DOE. In determining the appropriate fine, the Board considered the nature of the request, but also that it was an isolated incident that resulted in just fifteen minutes of research and a minimal use of City resources. In a settlement with the Commissioner of the New York City Department of Correction (“DOC”), the Commissioner admitted to misusing her DOC position when she attempted to pay a Board-imposed fine with a cashier’s check purchased through funds drawn from a subordinate’s personal bank account. 

The Board regularly fines City employees who seek jobs or other benefits for their associates from City vendors whose work the employees supervise. For example, in 2017, the Board fined the First Deputy Executive Director of the New York Financial Information Services Agency (“FISA”) $2,500 for helping her daughter obtain a position with a City vendor with which the First Deputy Executive Director interacted in her City position. Specifically, during an official meeting with the vendor’s CEO, the First Deputy Executive Director learned that the vendor wanted to hire a recent college graduate with compliance experience. The First Deputy Executive Director suggested her daughter as a candidate. The daughter applied for the position, using the First Deputy Executive Director’s name, and the vendor hired the daughter for a position other than the one its CEO had mentioned. No other candidates were interviewed for that position. Additionally, in 2018, the Board and DOE concluded a three-way settlement with a DOE Principal for misusing his City position multiple times to benefit his domestic partner. The domestic partner was a student at a local college with which the Principal’s high school maintained a close relationship. To help the domestic partner complete the requirements of the program, the Principal approved his domestic partner’s placement for a social work internship at the Principal’s school; had his subordinate directly supervise his domestic partner; indirectly supervised his domestic partner himself; attempted to convince the college to extend his domestic partner’s internship at the Principal’s school beyond its normal termination date; and, when he could not get the college to extend his domestic partner’s internship at his own school, demanded that the college place his domestic partner in a different DOE school and insinuated in a manner the college viewed as a threat that, if his domestic partner were not placed at the school, the Principal would no longer recommend the college to his DOE students. For these violations, the Principal paid a $10,000 fine.
The Board fined an employee of the housing application unit of NYCHA $2,250 for interviewing his own wife in her application for a NYCHA apartment, for processing her application, and for repeatedly contacting his colleagues to urge them to expedite the application, all without disclosing his relationship to the applicant. Similarly, in 2008, the Board and DOE concluded a three-way settlement with the then Deputy Director of Budget for DOE’s Region 2 for passing his brother’s name on to a DOE colleague so that the brother could be interviewed for a principal’s position at DOE. The settlement provided for a $1,250 fine payable to the Board.

As noted above, Charter § 2604(b)(3) prohibits a public servant from using his or her office to obtain a private or financial advantage for the public servant or any person or firm with whom or which the public servant is “associated.” The Board in 2011 issued a public warning letter to a DOE teacher who had a second job as a representative for a multi-level marketing company for placing his business card and a gift certificate for a free needs analysis from his firm inside the envelopes of the holiday greeting cards sent home to the parents of his school. Similarly, the Board in 2017 fined a DOE Paraprofessional $2,500, reduced to $600 upon the Paraprofessional’s documented showing of financial hardship, for using emergency contact information from confidential DOE student records to call and visit the homes of two students in her assigned class to attempt to sell insurance products to their parents.

In 2007, the Board fined a member of the City Planning Commission $4,000 for casting a vote at the Commission to benefit a firm with which the member was associated. The vote involved a zoning change of an area that included a site that was part of a private development plan in which the Commissioner was an investor; the vote on the site in question permitted its use for residential as well as commercial purposes, which conferred a benefit on the private development plan.

In 2012, the Board fined the former Commissioner of the New York City Department of Finance $22,000 for her multiple violations of the City’s conflicts of interest law, including several violations in which she used her City position for her own personal benefit or for the benefit of people with whom she was associated. One such violation illustrates the requirement that, in order to avoid using one’s City position for the benefit of an “associated” party, a public servant must recuse himself or herself from – that is, participate in no way concerning – any City matters involving the associated party. The former Finance Commissioner failed to meet that standard by involving herself in the employment of her half-brother, who was employed at Finance as a paid summer intern and part-time college aide, including intervening with her half-brother’s supervisor concerning supervisory and performance issues. Other “misuse of City position” violations by the former Finance Commissioner involved actions that she ostensibly took in her personal capacity but where she effectively traded on her City position by seeking favors for her “associates” from persons over whom she had some authority in her position at the Department of Finance. In one such case, the former Finance Commissioner sent an e-mail from her Finance e-mail account to the Vice President and General Counsel at a corporation that owned approximately twenty luxury rental apartment buildings in the City, with whom and with which owner she had dealt in her official capacity as Finance Commissioner, asking the Vice President to assist her
registered domestic partner in looking for an apartment, which ultimately resulted in the
domestic partner renting an apartment in one of the corporation’s buildings. The former
Finance Commissioner acknowledged that she was “associated” with her domestic
partner within the meaning of the City’s conflicts of interest law. In another such
instance, the former Finance Commissioner sent an e-mail from her Finance e-mail
account to a Senior Client Manager at a bank, with whom and with which bank she had
dealt in her official capacity as Finance Commissioner, inquiring about the time frame for
the bank’s decision to extend loan commitments and provide additional financing to a
company on whose board of directors she served as a compensated member and about
whether that time frame might be extended. As a paid director of the company, the
former Finance Commissioner was “associated” with the company within the meaning of
the City’s conflicts of interest law. Her inquiry on its behalf, to a person with whom she
had dealt in her official capacity, therefore was, like her inquiry on behalf of her domestic
partner to another person with whom she had dealt in her official capacity, a violation of
the ban on using one’s official position for the benefit of an associated party.56

In 2014, the Board fined the Queens Democratic Commissioner of the New York
City Board of Elections (the “BOE”) $10,000, the maximum fine possible given when the
conduct occurred, for hiring his wife to work in the BOE Queens Borough Office in order
to obtain health insurance for their family.57

The Board in 2016 entered into a joint disposition with the New York City
Department of Education, in which an Assistant Principal was fined $7,000 – $6,000 to
DOE and $1,000 to the Board – for hiring her brother’s company to cater events at her
school and for personally authorizing payment to the company of a total of $7,443.75 in
DOE funds. In particular, she reimbursed herself a total of $1,289 from DOE funds for
purchases she had made from his company to cater events at her school and she signed
off on an additional $6,154.75 in direct DOE payments to his company to cater such
events.58

The Board has also sanctioned public servants who misuse their City positions by
using confidential City information for their own personal advantage. In 2016, the Board
entered into a joint disposition with the New York City Administration for Children’s
Services (“ACS”), in which a Child Protective Specialist I agreed to serve a sixty-day
suspension, valued at $10,317, for, among other ACS disciplinary charges, accessing
New York State’s confidential CONNECTIONS database on three separate occasions to
learn the status of an ACS investigation in which he had a personal interest.59

C. duty of undivided loyalty to the City

Charter § 2604(b)(2) prohibits a public servant from engaging in any “business,
transaction or private employment, or hav[ing] any financial or other private interest,
direct or indirect, which is in conflict with the proper discharge of his or her official
duties.” The Board has construed this Section as requiring of all public servants a duty
of undivided loyalty to the City. Indeed, “Section 2604(b)(2) reaches all forms of private
conduct by public servants that may reasonably cause the public to question the public
Thus, in *COIB v. Rubin*, an Administrative Law Judge (“ALJ”) in the Parking Violations Bureau of the New York City Department of Finance publicly admitted that her adjudication of two summonses issued to her father-in-law, where the ALJ dismissed one case and reduced the fine in the other, violated § 2604(b)(2). Although the ALJ did not obtain any financial gain from her violation, she breached her duty of undivided loyalty to the City.

In Advisory Opinion Number 93-5, the Board refused to permit a high-level appointed official to act as the director of a large, publicly held corporation on Charter § 2604(b)(2) grounds. The Board stated that taking on a director’s obligations could compromise the official’s commitment to his City job and interfere with the proper discharge of his official City duties. Similarly, in Advisory Opinion Number 93-24, the Board noted that the prohibitions in Charter § 2604(b)(2) are “intended to insure that public servants dedicate their energies, during official working hours, to the welfare of the citizens that they serve.”

Under Charter § 2606(d), penalties may be imposed for a violation of Charter § 2604(b)(2) only if the violation involved conduct identified by Board Rule as prohibited by that provision, although, as noted by the Charter Revision Commission, “the board may in some situations adjudicate a public servant to be in violation of paragraph two [of Charter § 2604(b)] without imposing any penalties.” Effective August 8, 1998, the Board enacted Board Rules § 1-13, entitled “Conduct Prohibited by City Charter § 2604(b)(2),” to identify conduct that violates Charter § 2604(b)(2). A violation of that rule thus subjects the violator to a civil fine of up to $25,000. Conduct other than that identified in Board Rules § 1-13 may still constitute a violation of Charter § 2604(b)(2), but, under Charter § 2606(d), the Board may not impose any penalties for such other conduct, unless it violates some other provision of Charter § 2604.

Board Rules § 1-13, with limited exceptions, prohibits public servants from (a) performing personal and private activities on City time; (b) using City letterhead, personnel, equipment, resources, or supplies for any non-City purpose; and (c) intentionally or knowingly soliciting, requesting, commanding, inducing, or causing another public servant to violate any provision of Charter § 2604. A 2011 disposition illustrates the prohibition on inducing or causing another public servant to violate the conflicts of interest law: an FDNY Communications Electrician admitted that, by requesting and accepting overtime from his superior, who was his father-in-law, the son-in-law had caused his father-in-law to violate the conflicts of interest law and thus had himself violated the prohibition against soliciting, requesting, commanding, aiding, inducing, or causing another public servant to violate the law. The Board fined the son-in-law $1,500 for this conduct. In 2013, the former Senior Director of the Corporate Support Services (“CSS”) Division of HHC paid a $9,500 fine to the Board and admitted, among other things, that he suggested to a CSS Director that she ask her subordinate, an Institutional Aide, to refinish the floors in her personal residence. The CSS Director paid the Aide $100 for performing this work. The Senior Director acknowledged that, by
suggesting that the Director hire her subordinate, an action prohibited by the ban on financial relationships between superiors and subordinates, the Senior Director induced their violation, a violation itself of Board Rules § 1-13. Similarly, in 2015, the Board fined a DOE teacher $1,250 for asking his supervisor, a DOE Assistant Principal, for a $100 loan. Such a loan, which the Assistant Principal declined to make, would have likewise violated the ban on financial relationships between superiors and subordinates, so that by requesting the loan the teacher violated the prohibition in Board Rules § 1-13 against requesting or soliciting a violation of Chapter 68. In his settlement with the Board the teacher acknowledged having received a public warning letter from the Board two years earlier for having borrowed $500 from a DOE superior.65

In Advisory Opinion Number 2009-1, an opinion explicitly confined to City elected officials, the Board determined that such officials could, contrary to the general prohibition against the use of City resources for private or personal purposes, make certain use of their official City vehicles for non-City purposes. More particularly, elected officials for whom the New York City Police Department has determined that security, in the form of an official vehicle and security personnel, is required may make any lawful use of the official vehicle and security personnel for personal purposes, including pursuit of outside business or political activities, without any reimbursement to the City, provided that such use is not otherwise a conflict of interest and further provided that the elected official is in the vehicle during all such use. Elected officials for whom security protection has not been mandated by the Police Department, but whose duties require them to be constantly available to respond to the needs of constituents and to public emergencies, may make any lawful use of their allotted City vehicles and/or drivers within the five boroughs, including pursuit of outside business or political activities, without reimbursement to the City, provided that the use is not otherwise a conflict of interest and further provided that the elected official is in the vehicle during all such use. Outside the five boroughs within a range permitting timely return to the City, such elected officials may use the vehicle and/or driver for any lawful personal purpose, including pursuit of outside business or political activities, with reimbursement to the City. If, however, the elected official can clearly demonstrate that the particular use outside the City’s limits was for official business, reimbursement to the City is not required.

The Board in 2017 issued nine dispositions against high-level officials from the New York City Department of Correction (“DOC”), including the Commissioner of DOC and Chief of Staff, for misusing their DOC-assigned vehicles. The prohibited trips involved many personal trips to New York City-area airports and shopping malls, recreational outings on Long Island, and trips to Washington, D.C., and Virginia.66

As with any ethics law, Board Rules § 1-13 must be interpreted in light of reason, experience, and common sense. A brief telephone call to a friend or doctor would not constitute a violation of the rule. Running an outside business from one’s City office would, as would spending an afternoon at the beach during City time.67 In 2017, a DOE Computer Systems Manager agreed, in a three-way settlement with the Board and DOE, to forfeit four days of annual leave, valued at approximately $611, for circumventing the security software installed on his DOE computer and using that computer to mine bitcoin. For approximately
one month, the computer commenced mining every night at 6:00 p.m. and ended at 6:00 a.m. the following morning. The Board also fined a DOHMH Project Manager $4,500 for misusing DOHMH time and resources to perform work for his eBay sneaker business by spending approximately 1,208 hours at sneaker-related websites on his DOHMH computer during his DOHMH workday, researching, buying, and selling sneakers and other products, and saving 49 images of sneakers and other items on his DOHMH computer.

As noted, the conflicts of interest law does not prohibit certain de minimis personal use of City resources, and some City agencies (but not all) will in fact permit such limited use. In an effort to describe that permissible use with more particularity, the City’s Department of Information Technology and Telecommunications, in consultation with the Department of Investigation and the Law Department, developed a “Policy on Limited Personal Use of City Office and Technology Resources,” commonly known as the Acceptable Use Policy (“AUP”), that sets forth in some detail permissible, and impermissible, uses of such City resources as computers, telephones, copiers, and email. The Board has reviewed that policy and determined that the permissible uses described therein will not violate Chapter 68. In addition, the Board has long advised that certain impermissible uses described in the AUP will likewise violate Chapter 68 even at the lowest level of use, that is, there is a zero tolerance policy for these uses. Thus, for example, there is no acceptable or permissible level of use of City time or resources in connection with a City employee’s outside job or private business or for a political campaign. While there is no permissible amount of City time that may be devoted to a paid activity, the conflicts of interest law does not place any limits on the amount of non-City time a City employee may spend on such activity. That said, in judging whether it is credible that the restriction against any use of City time will be observed, the Board, in responding to requests for advice about proposed outside work, “regularly inquires about the demands and the schedule of proposed outside work.”

Where a charitable or philanthropic activity, such as the annual toy collection drive or the Combined Municipal Campaign, is sanctioned by the Mayor as a City activity, neither Charter § 2604(b)(2) nor Board Rules § 1-13 comes into play. Accordingly, City employees may use City time, letterhead, and resources in connection with that activity.

Furthermore, in drafting Board Rules § 1-13, the Board recognized that certain public service activities, such as volunteering one’s services for a professional organization, may in some instances further the City’s interests. For example, a public servant’s uncompensated participation on a bar association committee may help the public servant meet his or her obligations to the legal profession and also may reflect favorably upon the City and the public servant’s agency, may assist in the professional development of the public servant, and may provide him or her with new insights into the performance of his or her City job, all to the City’s benefit. Accordingly, to cover such situations, Board Rules § 1-13 contains a limited exception to the prohibition against use of City time, equipment, personnel, resources, or supplies for a non-City purpose by permitting an agency head to apply to the Board for permission for the employees of the agency to engage in such activities during normal working hours and to use City equipment, resources, personnel, and supplies—but not City letterhead—in connection with the activity. If, however, the activity has a direct impact upon another City agency, then the employee’s agency head
must give the head of that other agency at least ten days’ written notice before approving the employee’s request. For example, the Corporation Counsel could seek the approval of the Board for attorneys in the Law Department to attend bar association committee meetings during the day and even to type and photocopy a bar association report on City computers and photocopiers—but not to use Law Department letterhead. If, however, the work of the bar association committee has a direct impact upon another City agency, such as the Juvenile Justice Committee might for ACS, then the Corporation Counsel would have to give the head of that other agency at least ten days’ written notice before approving the employee’s request.72 Once the Board has approved a type of activity for the employees of a particular agency under this provision, other employees of that agency who wish to engage in the same type of activity need obtain approval only from their agency head. Additional approval from the Board is not required.73

As noted above, Board Rules § 1-13(c) will not permit the use of City letterhead even for Board-sanctioned public service activities. Chapter 68 indeed prohibits any use of City letterhead for a non-City purpose. The Board fined a NYCHA superintendent $500 for writing a letter on NYCHA letterhead to the Police Department in support of a fellow NYCHA employee’s petition to annul the revocation of the fellow employee’s gun permit.74 The Board similarly issued public warning letters to 17 Sanitation Department employees who used City letterhead to write letters in support of a Sanitation colleague who was scheduled to be sentenced for a felony drug charge.75 In 2011 the Board fined the former Vice-Chairman of NYCHA $2,000 for using NYCHA letterhead and his NYCHA subordinate for personal, non-City purposes. The former Vice-Chairman admitted using NYCHA letterhead on two occasions for purely personal purposes: once to write a letter to the Executive Director of Prudential Douglas Elliman praising the Prudential broker who handled the sale of his apartment, and who was also a personal friend of thirty-five years, and then to write a letter to a federal judge seeking leniency for a family friend about to be sentenced on one count of distribution of child pornography.76

In 2016, the Board entered into a joint disposition with the New York City Police Department (“NYPD”), in which a Detective paid a $200 fine and forfeited one day of annual leave, valued at approximately $360, for giving a letter to his landlord for use as evidence at an Environmental Control Board hearing. Although NYPD had no involvement with the matter, the Detective wrote the letter on NYPD letterhead, attested that the landlord was not responsible for the violation, and signed off with his NYPD title and squad number. In determining the amount of the fine, the Board took into consideration that there is no evidence the Detective benefited personally from providing the letter to his landlord.77

In Advisory Opinion Number 2013-2, the Board recognized that use of City letterhead for letters of reference may, in certain circumstances, advance the interests of the City and not just the personal interests of the involved parties. The Board accordingly advised that, while it will typically violate the conflicts of interest law for a City employee to use City letterhead for a reference letter for a fellow City employee, if the writer is the superior of that City employee or is otherwise authorized by that City agency’s leadership to write a reference letter with respect to that employee, use of City letterhead will be permissible. But, even when City employees are barred from using
City letterhead for a reference letter for a colleague, they are permitted to send reference letters in their personal, non-City capacities using their personal stationery.

D. **Coercion of Subordinates**

Chapter 68 contains several provisions that seek to protect City employees from undue coercion by their superiors. For example, Charter §§ 2604(b)(9)(b) and 2604(b)(11)(c) forbid a public servant from even requesting a subordinate to engage in political activity or to make a political contribution. In 2006, the Board fined a former Assistant Commissioner of the New York City Department of Sanitation $2,000 for, among other violations, recruiting his subordinates to work on a mayoral campaign. In addition, Charter § 2604(b)(14) prohibits a superior and subordinate from entering into a business or financial relationship. This provision, for example, prohibits loans between superior and subordinate; forbids a lease or sub-lease between superior and subordinate; and prohibits a sale of a car between superior and subordinate.

In actions to enforce this provision, the Board fined an assistant principal $2,800 for preparing, for compensation, the income tax returns of several of his subordinates; fined a New York City Department of Homeless Services supervisor $1,500 for renting an apartment for six months to a subordinate; and fined the Chief Clerk of the Staten Island Office of the New York City Board of Elections $3,500 for regularly obtaining free car rides from her subordinates over a period of eight years. More recently, in a three-way disposition with the Board and the New York City Housing Authority (“NYCHA”), the Fleet Administrator for NYCHA agreed to serve a twenty-workday suspension, valued at $7,075, as well as a two-year General Probationary Evaluation Period, for having two NYCHA subordinates drive her personal vehicle during their workday from their NYCHA work location in Brooklyn to a car dealership in Roslyn, New York, to purchase brakes and a key for her personal vehicle, and to install the breaks. Similarly, in a three-way disposition with the Board and the New York City Department of Parks and Recreation (“Parks”), a Parks Supervisor agreed to forfeit six days of annual leave, valued at approximately $1,625, and to serve a one-year probationary period, for making known to his Parks subordinates that a pipe in his home had frozen and that he was unable to fix it and for having those subordinates use a Parks vehicle to work on the frozen pipe.

Even if the financial relationship exists prior to the superior-subordinate relationship, once the parties become superior and subordinate they must take immediate steps to end the financial relationship. In 2008, the Board and the DOE concluded two three-way settlements with a DOE principal and a DOE assistant principal, each fined $500 by the Board for continuing to jointly own and share a mortgage on a time share unit after the DOE principal became the assistant principal’s supervisor.

Since marriage is, among other things, a financial relationship, Charter § 2604(b)(14) prohibits a superior from being married to his or her subordinate. The Board imposed a $1,000 fine on a City Council Member who, having married his Chief of Staff, continued to employ her in that capacity, as his subordinate, for eight months after their
marriage. On publishing this disposition, the Board reminded public servants that a marriage is a “financial relationship” within the meaning of Chapter 68 and also that such a relationship between a superior and a subordinate is prohibited even if the superior-subordinate relationship precedes the marriage.83

To protect subordinates from undue pressure, Chapter 68 prohibits a superior from borrowing money from a subordinate to pay for an expense, even if the City itself could pay for it. In 2007 the Board issued a public warning letter to a DOE assistant principal for asking two of his subordinates to charge to their personal credit cards $525 and $845 respectively to enable the assistant principal to attend a DOE-related function.84

While Charter § 2604(b)(14) serves, among other purposes, to protect subordinates from coercion from superiors, the Board will nevertheless in the appropriate case sanction the subordinate as well as the superior. In 2016, the Board fined both HHC’s Supervisor of Plumbers and his subordinate Plumber ($3,000 for the former, which fine included other violations, and $450 for the latter) for engaging in a prohibited superior-subordinate financial relationship, namely the sale of a vehicle from the subordinate to the superior.85 In 2007, the Board fined a former supervisor of roofers at the DOE $2,000 for recommending three of his subordinate roofers for private roofing work and then accepting commissions from the subordinates for his referrals.86 Note that the violation of the conflicts of interest law lies not in referring one’s subordinates for paid outside work, but rather for accepting compensation in connection therewith.

1 In COIB v. Lucks, COIB Case No. 2008-962 (2009), the Board fined a New York City Department of Education principal $1,500 for inducing a Chapter 68 violation by allowing one of his subordinates to hire and supervise her children and for allowing another subordinate to hire and supervise her brother.
2 Charter § 2601(5).
4 Charter § 2604(b)(1).
5 Charter § 2604(b)(1)(b); see also Advisory Opinion Number 91-3.
6 Charter § 2604(b)(1)(c).
7 Charter § 2604(b)(1)(a).
A vote of the electorate on November 2, 2010, amended Chapter 68 to raise the maximum fine from $10,000 to $25,000 per violation and to add the disgorgement provision.

17  A vote of the electorate on November 2, 2010, amended Chapter 68 to raise the maximum fine from $10,000 to $25,000 per violation and to add the disgorgement provision.
19  Charter § 2606(b).
20  Charter § 2606(c).
22  91 N.Y.2d at 497.
31  COIB Case No. 2001-569 (2002).
38  COIB Case No. 2002-188 (2002).
44  COIB v. K. Thompson, COIB Case No. 2015-110 (2016)
64 COIB v. LaBella, COIB Case No. 2010-285a (2011).
67 “Statement of Basis and Purpose,” in “Notice of Adoption of Rule Identifying Certain Conduct Prohibited by Charter § 2604(b)(2),” p. 4, published in City Record, July 9, 1998 (“Statement of Basis and Purpose”). More recently, the Board approved as consistent with Chapter 68 a model Acceptable Use Policy (the City’s “Policy on Limited Personal Use of City Office and Technology Resources”). This Policy outlined what sorts of minimal personal use of City equipment, especially personal computers, a City agency might choose to permit.
70 Advisory Opinion Number 2012-1, footnote 2, at page 13.
71 Statement of Basis and Purpose at 4.
72 Statement of Basis and Purpose at 3-4.
73 Board Rules § 1-13(c)(1).