EXHIBIT 5b

Ethics Manual

ETHICS MANUAL

For All Metra Employees (without appendix)*

Revised 2013

Draft 11.14.13

DRAFT

* To view a copy of the Ethics Manual with the appendix, please refer to the Ethics Manual available on Metra's intranet. You may also request a hard copy from Human Resources.

1.0 INTRODUCTION

Metra is committed to establishing a culture of integrity and ethics in the work place. Although Metra has always maintained ordinances and policies governing the ethical conduct of Employees, this Ethics Policy Manual ("Manual") has been developed to better assist Employees in understanding the importance of ethics by bringing all ethics related guidelines into one source. Ethical conduct by Metra Employees is governed by multiple sources, including federal law (Federal Transit Administration regulations, the Federal Hatch Act, etc.), state law (the State Officials and Employees Ethics Act, 5 ILCS 430/1-1 *et seq.* ("Ethics Act"), etc.), and Metra ordinances and policies. All Employees should familiarize themselves with the rules and laws provided in this Manual.

There may be incidents where some Metra policies overlap with the Ethics Act or other state or federal laws. In the event of such overlap, the strictest provision shall apply. For example, the Ethics Act contains a Gift ban prohibition allowing for $75 a day for food and less than $100 for Gifts in one calendar year from a Prohibited Source. Even though Metra Employees are subject to the state Gift ban, they are also subject to Metra's Gift ban, which contains a stricter provision that allows for food and/or Gifts valued at less than $25 a year from all sources combined. In this instance, Metra Employees must follow the stricter provision of the Gift ban, which is Metra's Gift ban policy. Additional information about the Gift ban can be found in section 12.0 of this Manual.

It is the responsibility of Metra Employees to become familiar with and obey all applicable laws, rules, policies and regulations on ethics. Any Employee in violation of any portion of this Manual will be subject to discipline, up to and including termination. Further, Employees are also subject to the penalties as stated in the Ethics Act. More information on the penalties can be found in section 16.0 of this Manual.

<u>While some of the policies contained in this Manual are complete statements of the applicable statute, many others are simply summaries. Where applicable, please familiarize yourself with the complete statutes, copies of which are provided in the Appendix. If you are viewing a copy of the Ethics Manual without the Appendix included, please refer to the Ethics Manual with Appendix, which is provided on Metra's intranet. You may also request a paper copy from Human Resources</u>. Further, any amendments to the statutes cited in this Manual shall be deemed to be incorporated into the Manual without formal action. While Metra will seek to keep Employees informed of any statutory changes affecting this Manual, it is the Employee's responsibility to ensure that they are following all current statutory requirements.

DRAFT

2.0 Table of Contents

3.0 Definitions 4
4.0 Ethics Officer (5 ILCS 430/20-23) 8
5.0 Ethics Training (5 ILCS 430/5-10) 9
6.0 Political Activities 10
6.1 Prohibited Political Activities (5 ILCS 430/5-15, Metra Ordinance MET 04-05, NIRC 04-01) 10
6.2 Metra's Prohibited Political Contributions Policy (Metra Ordinance MET 12-05, NIRC 04-01) 10
6.3 Prohibited Offer or Promise (5 ILCS 430/5-30) 11
7.0 Political Activity of State or Local Officers or Employees ("Hatch Act") (5 CFR 151.101 *et seq.*) 12
8.0 Official Misconduct (Criminal Code of 1961) 13
8.1 Bribery and Failure to Report a Bribe (720 ILCS 5/33-1 and 33-2) 13
8.2 Official Misconduct (720 ILCS 5/33-3) 14
9.0 Conflict of Interest 15
9.1 Metra's Bidding Regulations (MET 12-03 and NIRC 12-01, Federal Transit Administration ("FTA") Master Agreement, and Federal Regulations, 49 CFR 18.36(b)(3)) 15
9.2 Guidance on Conflict of Interest 15
10.0 Revolving Door 17
10.1 Revolving Door Policy (5 ILCS 430/5-45) 17
10.2 Additional Revolving Door Restrictions – C List 17
10.3 Additional Revolving Door Restrictions – H List 17
11.0 Statement of Economic Interest (5 ILCS 420/4A-101 and 102) 19
12.0 Gift Ban 20
12.1 Gift Ban (5 ILCS 430/10-10, MET 04-05, NIRC 04-01, 49 CFR 18.36(b)(4), FTA Circular 4220.1F) 20
12.2 Gift Ban Exceptions (5 ILCS 430/10-15, MET 04-05, NIRC 04-01) 20
12.3 Prohibited Source Sponsored Events, Receptions, and Meals 21
12.4 Honoraria (Metra Non-Contract Employees Handbook) 23
12.5 Gift Ban; Disposition of Gifts (5 ILCS 430/10-30) 23
13.0 Metra's Nepotism Policy (MET 10-16 and NIRC 10-02) 24
14.0 Whistleblower Policy 25
14.09 Prohibition Against Retaliation (MET 10-17 and NIRC 10-03) 27
14.10 Filing False Reports (MET 10-17 and NIRC 10-03) 27
15.0 OEIG Investigations 28
16.0 Penalties 29

DRAFT

3.0 Definitions

For purposes of this Ethics Policy Manual, the following terms shall be given these definitions whether or not capitalized:

"**Affiliated Entity**" means (i) any corporate parent and each operating subsidiary of the Contractor or Bidding Entity, (ii) each operating subsidiary of the corporate parent of the Contractor or Bidding Entity, (iii) any organization recognized by the United States Internal Revenue Service as a tax-exempt organization described in Section 501(c) of the Internal Revenue Code of 1986 (or any successor provision of federal tax law) established by the Contractor or Bidding Entity, any Affiliated Entity of that business entity, or any Affiliated Person of that business entity, or (iv) any political committee for which the Contractor or Bidding Entity, or any 501(c) organization described in item (iii) related to that business entity, is the sponsoring entity.

"**Affiliated Person**" means (i) any Person with any ownership interest or distributive share of the Contractor or Bidding Entity in excess of 7.5%, (ii) Officers and board directors of the Contractor or Bidding Entity, and (iii) the spouse, domestic partner, or minor child of, or any immediate family member living with, any such Persons.

"**Bidding Entity**" means any Person (including, but not limited to, a bidder, proposer, or sole source) seeking to become a Contractor.

"**Commuter Rail Board**" or "**Board**" means the governing body of the Commuter Rail Division.

"**Board Member**" means any Person appointed to the Commuter Rail Board.

"**Campaign for Elective Office**" means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, State, or local public office or office in a Political Organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to Collective Bargaining, or (iii) that are otherwise in furtherance of the Person's official duties.

"**Candidate**" means a Person who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at a regular election, as defined in section 1-3 of the Election Code (10 ILCS 5/1-3), as amended.

"**Collective Bargaining**" has the same meaning as that term is defined in Section 3 of the Illinois Public Labor Relations Act (5 ILCS 315/3), as amended.

"**Compensated Time**" means, with respect to an Employee, any time worked by or credited to the Employee that counts toward any minimum work time requirement imposed as a condition of his or her employment, but for purposes of this Ordinance, does not include any designated holidays, vacation periods, personal time, Compensatory Time Off or any period when the Employee is on a Leave of Absence. With respect to Officers or Employees whose hours are not

DRAFT

fixed, "Compensated Time" includes any period of time when the Officer is on premises under the control of the Employer and any other time when the Officer or Employee is executing his or her official duties, regardless of location.

"**Compensatory Time Off**" means authorized time off earned by or awarded to an Employee to compensate in whole or in part for time worked in excess of the minimum work time required of that Employee as a condition of his or her employment.

"**Contractor**" means any Person who has contracts with the Division, or who is paid for goods or services from funds of the Division, regardless of the nature of the relationship of such Person to the Division for purposes other than this Ordinance. Contractor does not mean Board Members, Officers or Employees of the Division unless they meet the definition of a "Contractor" in a capacity separate from their capacity as a Board Member, Officer or Employee of the Division.

"**Contribution**" has the same meaning as that term is defined in section 9-1.4 of the Election Code (10 ILCS 5/9-1.4)[1], as amended from time to time.

"**Division**" means the Commuter Rail Division.

"**Employee**" means a Person employed by Metra, whether on a full-time or part-time basis or pursuant to a contract, whose duties are subject to the direction and control of an Employer with regard to the material details of how the work is to be performed, but does not include an independent Contractor.

"**Employer**" or "**Metra**" means the Northeast Illinois Regional Commuter Railroad Corporation and the Commuter Rail Division of the Regional Transportation Authority.

"**Gift**" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an Officer or Employee.

---

[1] "Contribution" is currently defined as:(1) a gift, subscription, donation, dues, loan, advance, deposit of money, or anything of value, knowingly received in connection with the nomination for election, election, or retention of any candidate or person to or in public office or in connection with any question of public policy; (1.5) a gift, subscription, donation, dues, loan, advance, deposit of money, or anything of value that constitutes an electioneering communication made in concert or cooperation with or at the request, suggestion, or knowledge of a candidate, a political committee, or any of their agents; (2) the purchase of tickets for fund-raising events, including but not limited to dinners, luncheons, cocktail parties, and rallies made in connection with the nomination for election, election, or retention of any person in or to public office, or in connection with any question of public policy; (3) a transfer of funds received by a political committee from another political committee; (4) the services of an employee donated by an employer, in which case the contribution shall be listed in the name of the employer, except that any individual services provided voluntarily and without promise or expectation of compensation from any source shall not be deemed a contribution; and (5) an expenditure by a political committee made in cooperation, consultation, or concert with another political committee. 10 ILCS 5/9-1.4.

"**Leave of Absence**" means any period during which an Employee does not receive (i) compensation for employment, (ii) service credit towards pension benefits, and (iii) health insurance benefits paid for by the Employer.

"**Officer**" means a Person who holds, by election or appointment, an office created by statute or ordinance, regardless of whether the Officer is compensated for service in his or her official capacity.

"**Metra Affiliated Person**" means the spouse, domestic partner, or minor child of, or any immediate family member living with, any Board Member, Officer or Employee of the Division.

"**Person**" means any individual, entity, corporation, partnership, firm, association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, whether or not operated for profit.

"**Political Activity**" means any activity in support of or in connection with any Campaign for Elective Office or any Political Organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to Collective Bargaining, or (iii) that are otherwise in furtherance of the Person's official duties.

"**Political Organization**" means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk under Section 9-3 of the Election Code (10 ILCS 5/9-3), but only with regard to those activities that require filing with the State Board of Elections or a county clerk.

"**Prohibited Political Activity**" means:

(1) Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.

(2) Soliciting Contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.

(3) Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign Contribution.

(4) Planning, conducting, or participating in a public opinion poll in connection with a Campaign for Elective Office or on behalf of a Political Organization for political purposes or for or against any referendum question.

(5) Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a Campaign for Elective Office or on behalf of a Political Organization for political purposes or for or against any referendum question.

(6) Assisting at the polls on election day on behalf of any Political Organization or Candidate for elective office or for or against any referendum question.

DRAFT

(7) Soliciting votes on behalf of a Candidate for elective office or a Political Organization or for or against any referendum question or helping in an effort to get voters to the polls.

(8) Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a Candidate for elective office or for or against any referendum question.

(9) Making Contributions on behalf of any Candidate for elective office in that capacity or in connection with a Campaign for Elective Office.

(10) Preparing or reviewing responses to Candidate questionnaires.

(11) Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any Candidate for elective office or for or against any referendum question.

(12) Campaigning for any elective office or for or against any referendum question.

(13) Managing or working on a Campaign for Elective Office or for or against any referendum question.

(14) Serving as a delegate, alternate, or proxy to a political party convention.

(15) Participating in any recount or challenge to the outcome of any election.

"**Prohibited Source**" means any Person or entity who:

(1) is seeking official action (i) by an Officer or (ii) in the case of an Employee, by an Employee, or by the Officer, Metra, or another Employee directing the Employee;

(2) does business or seeks to do business (i) with the Officer or (ii) in the case of an Employee, with an Employee, or with the Officer, Metra, or another Employee directing the Employee;

(3) conducts activities regulated (i) by the Officer or (ii) in the case of an Employee, by an Employee, or by the Officer, Metra, or another Employee directing the Employee;

(4) has interests that may be substantially affected by the performance or non-performance of the official duties of the Officer or Employee;

(5) is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity not otherwise a Prohibited Source does not become a Prohibited Source merely because a registered lobbyist is one of its members or serves on its board of directors; or

(6) is an agent of, a spouse of, or an immediate family member who is living with a "Prohibited Source."

DRAFT

4.0 Ethics Officer (5 ILCS 430/20-23)

Metra has designated an Ethics Officer. The Ethics Officer is responsible for the following:

(1) Acting as a liaison between Metra and the Office of the Executive Inspector General ("OEIG") and the Executive Ethics Commission ("EEC");

(2) Reviewing statements of economic interest and disclosure forms of officers, senior employees, and contract monitors before they are filed with the Secretary of State; and

(2) Providing guidance to Officers and Employees in the interpretation and implementation of the Ethics Act, which the Officer or Employee may in good faith rely upon.

Ethics Officer's contact information is as follows:

Ethics Officer
Metra Law Department
547 W. Jackson Blvd., 15th Floor
Chicago, IL 60661
(312) 322-7446
ethicsofficer@metrarr.com

DRAFT

5.0 Ethics Training (5 ILCS 430/5-10)

The Ethics Act requires Metra Employees to complete, at least annually, an ethics training program. It also requires that new Employees complete ethics training within 30 days of their initial employment or appointment. To assist Employees in completing this requirement, Metra administers annual ethics training. By law, Metra must report to the OEIG and the EEC those individuals who fail to complete this training as required by law.

Failure to complete training when directed to do so expose Employees to disciplinary action, up to and including termination of employment. Additionally, the failure to complete ethics training and to submit a signed certification of completion of the training, in accordance with the training's instructions and the requirements of the Ethics Act, may constitute a violation of the Ethics Act. This could result in possible administrative action by the Executive Ethics Commission, including its levy of a fine of up to $5,000.

DRAFT

6.0 Political Activities

6.1 Prohibited Political Activities (5 ILCS 430/5-15, Metra Ordinance MET 04-05, NIRC 04-01)

(a) No Officer or Employee shall intentionally perform any Prohibited Political Activity during any Compensated Time, as defined in section 3.0 above. No Officer or Employee shall intentionally misappropriate any property or resources of Metra to engage in any Prohibited Political Activity for the benefit of any Campaign for Elective Office or any Political Organization.

(b) At no time shall any Officer or Employee intentionally misappropriate the services of any other Officer or Employee by requiring that Officer or Employee to perform any Prohibited Political Activity (i) as part of that Officer or Employee's duties, (ii) as a condition of employment, or (iii) during any Compensated Time off (such as holidays, vacation or personal time off).

(c) No Officer or Employee shall be required at any time to participate in any Prohibited Political Activity in consideration for that Officer or Employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, Compensatory Time Off, continued employment or otherwise, nor shall any Officer or Employee be awarded additional compensation or any benefit in consideration for his or her participation in any Prohibited Political Activity.

(d) Nothing in this Section prohibits activities that are permissible for an Officer or Employee to engage in as part of his or her official duties, or activities that are undertaken by an Officer or Employee on a voluntary basis which are not prohibited by this Ordinance.

(e) No Person shall be denied or deprived of employment solely because he or she is a member or an Officer of a political committee, of a political party, or of a Political Organization or club.

6.2 Metra's Prohibited Political Contributions Policy (Metra Ordinance MET 12-05, NIRC 04-01)

(a) Contractors, Bidding Entities, and Affiliated Persons or Affiliated Entities of Contractors and Bidding Entities, are prohibited from making any Contributions to any Candidate or Candidate political committee (as those terms are defined in the Illinois Election Code) or to any principal campaign committee or authorized committee (as those terms are defined in the Federal Election Campaign Act),which committees are established to promote the candidacy of any Employee of Metra, or an Affiliated Person of such Employee, for any political office. Any Employee of Metra is prohibited from knowingly soliciting or accepting from any Contractor, Bidding Entity, or any Affiliated Person or Affiliated Entity of such Contractor or Bidding Entity, any Contributions, including those

DRAFT

Contributions made to any political committees established to promote the candidacy of that Employee.

(b) With respect to Contributions by Contractors and their Affiliated Persons and Affiliated Entities, these prohibitions shall be effective for a period of three (3) years following the expiration or termination of the contracts with the Contractor.

(c) With respect to Contributions by Bidding Entities who do not become Contractors, and their Affiliated Persons and Affiliated Entities, these prohibitions shall be effective until the opportunity to become a Contractor has been terminated by Metra through the awarding of a contract to another entity, or until the Bidding Entity provides written notice to Metra that it is no longer seeking to become a Contractor.

(d) Upon written request of any Metra Employee who is a Candidate for political office, Metra shall inform the requestor whether a particular business entity is a Contractor or a Bidding Entity.

(e) Any contract between Metra and a Contractor that violates this Section shall be voidable.

(f) A Board Member, Officer or Employee, or an Affiliated Person thereto, does not violate this Section if the recipient promptly takes reasonable action to return a Contribution prohibited hereby to its source or gives an amount equal to the Contribution to an appropriate charity that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

(g) Any Employee who is found to knowingly solicit or receive Contributions in violation of this policy is subject to discipline, up to and including termination. However, an Employee shall not be discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the Employee or on behalf of the Employee or others in furtherance of the enforcement of this policy.

6.3 Prohibited Offer or Promise (5 ILCS 430/5-30)

Employees may not promise anything of value related to Metra, including but not limited to positions, promotions, salary increases, other employment benefits, the awarding of any Metra contract, in consideration for a Contribution to a political committee, political party, or other entity that has as one of its purposes the financial support of a Candidate for elective office.

DRAFT

7.0 Political Activity of State or Local Officers or Employees ("Hatch Act") (5 CFR 151.101 *et seq.*)

The Hatch Act prohibits state and local government employees whose principal employment is in connection with an activity financed in whole or part by loans or grants made by the United States or a Federal agency, from being a Candidate for elective office. Elective office means any office which is voted upon at a primary, special, or general election. It does not include political party office, delegate to a political party convention, member of a National, State or local committee of a political party, or any similar position. Further, elective office does not include a nonpartisan election where none of the Candidates is nominated or elected as representatives of political parties whose presidential Candidates received electoral votes at the last preceding presidential election.

Metra is covered by this Act as a unit of local government in receipt of grants from a number of federal agencies, primarily from the Federal Transit Administration, for both operating and capital funding.

The U.S. Office of Special Counsel (OSC) is authorized to issue advisory opinions under the Hatch Act. OSC issues advisory opinions to Persons seeking advice about Political Activity under the Hatch Act. Such a request for advice can be made by phone, fax, mail or email to:

Hatch Act Unit
U.S. Office of Special Counsel
1730 M Street, N.W., Suite 218
Washington D.C. 20036-4505
Tel: (800) 85-HATCH or (800) 854-2824
(202) 254-3650
Fax: (202) 254-3700
hatchact@osc.gov

Additional information on the Hatch Act and the OSC can be found on the following website:
http://www.osc.gov/hatchact.htm

DRAFT

8.0 Official Misconduct (Criminal Code of 1961)

8.1 Bribery and Failure to Report a Bribe (720 ILCS 5/33-1 and 33-2)

A Metra Employee commits bribery when:

(a) With intent to influence the performance of any act related to the employment or function of any public officer, public employee, juror or witness, the Employee promises or tenders to that Person any property or personal advantage which the Employee is not authorized by law to accept;

(b) With intent to influence the performance of any act related to the employment or function of any public officer, public employee, juror or witness, the Employee promises or tenders to one whom the Employee believes to be a public officer, public employee, juror or witness, any property or personal advantage which a public officer, public employee, juror or witness would not be authorized by law to accept;

(c) With intent to cause any Person to influence the performance of any act related to the employment or function of any public officer, public employee, juror or witness, the Employee promises or tenders to that Person any property or personal advantage which the Employee is not authorized by law to accept;

(d) Employee receives, retains or agrees to accept any property or personal advantage which the Employee is not authorized by law to accept knowing that such property or personal advantage was promised or tendered with intent to cause the Employee to influence the performance of any act related to the employment or function of any public officer, public employee, juror or witness; or

(e) Employee solicits, receives, retains, or agrees to accept any property or personal advantage pursuant to an understanding that the Employee shall improperly influence or attempt to influence the performance of any act related to the employment or function of any public officer, public employee, juror or witness.

Bribery is a Class 2 felony.

Any Metra Employee who fails to immediately report to the local State's Attorney any offer made to the Employee in violation of this section commits a Class A misdemeanor.

DRAFT

8.2 Official Misconduct (720 ILCS 5/33-3)

A Metra Employee commits misconduct when, in his/her official capacity, he/she commits any of the following acts:

(a) Intentionally or recklessly fails to perform any mandatory duty as required by law;

(b) Knowingly performs an act which he/she knows he/she is forbidden by law to perform;

(c) With intent to obtain a personal advantage for himself/herself or another, he/she performs an act in excess of his/her lawful authority; or

(d) Solicits or knowingly accepts for the performance of any act a fee or reward which he/she knows is not authorized by law.

A Metra Employee convicted of violating any provision of this Section forfeits his/her office or employment. In addition, he/she commits a Class 3 felony.

DRAFT

9.0 Conflict of Interest

9.1 Metra's Bidding Regulations (MET 12-03 and NIRC 12-01, Federal Transit Administration ("FTA") Master Agreement, and Federal Regulations, 49 CFR 18.36(b)(3))

Employees of Metra, their spouses, their children, their parents, their brothers, sisters and their children (collectively referred to as the "Immediate Family"), are prohibited from having or acquiring any contract or any direct pecuniary interest in any contract that will be wholly or partially performed by the payment of funds or the transfer of property of Metra. Any firm, partnership, association or corporation, from which any Employee of Metra is entitled to receive more than seven and one-half percent (7.5%) of the total distributable income, is prohibited from having or acquiring any contract or direct pecuniary interest in any contract that will be performed in whole or in part by payment of funds or the transfer of property of Metra.

Any firm, partnership, association or corporation, from which Employees of Metra and their Immediate Family are entitled to receive in the aggregate more than fifteen percent (15%) of the total distributable income, is prohibited from having or acquiring any contract that will be performed in whole or in part by the payment of funds or the transfer of property of Metra.

Employees are prohibited from participating in the selection, award, or administration of a contract supported by Metra funds, federal funds, or any other grant funds if a real conflict of interest or, to his or her knowledge, an apparent conflict of interest, would be involved. A real or apparent conflict of interest would arise when any of the following has an interest in the entity selected for award:

- The participating Employee, Officer, Board Member, or agent;
- any member of the participating Employee's Immediate Family;
- the participating Employee's business partner; or
- an organization that employs, or intends to employ, any of the above.

Further, Metra Employees should not solicit or accept gratuities, favors or anything of monetary value from Contractors, potential Contractors, or parties to subagreements. For more information on this, please refer to section 12.0 Gift Ban.

Once it has been determined that an Employee has a conflict of interest, or the Employee feels he has a conflict of interest, the Employee's department must contact the Ethics Officer.

9.2 Guidance on Conflict of Interest

The following principles will apply, but are not exhaustive, when determining whether a conflict of interest exists:

DRAFT

(1) If an Employee were an Officer or director of another entity, such as a business or not-for-profit organization that has a contract with Metra, that Employee would have an apparent conflict of interest.
(2) Generally, owning mutual funds that hold shares of stock in a company doing business with Metra would not be a conflict of interest.

(3) Because of grant restrictions, Employees should not administer, evaluate, or award a contract when a spouse or immediate family member would be working on that particular contract. To avoid the conflict, the spouse or immediate family member should not work on Metra projects.

DRAFT

10.0 Revolving Door

10.1 Revolving Door Policy (5 ILCS 430/5-45)

No former Employee, or spouse or immediate family member living with the Employee, shall, within a period of one year immediately after termination of employment with Metra, knowingly accept employment or receive compensation or fees for services from a Person or entity if the Employee, during the year immediately preceding termination of employment with Metra, participated personally and substantially in the award of Metra contracts, or the issuance of Metra contract change orders, with a cumulative value of $25,000 or more to the Person or entity, or its parent or subsidiary.

These restrictions do not apply to offers of employment or compensation from the United States government, the State of Illinois, or an Illinois municipality, unit of local government, or school district.

10.2 Additional Revolving Door Restrictions – C List (5 ILCS 430/5-45(c) and (f))

A limited number of Metra Employees or Board Members may be subject to subsection (c) of the revolving door prohibition of the Ethics Act. These individuals are often called "C-list" individuals. C-list individuals are those, by the nature of their duties, who have been identified as potentially having the authority to participate personally and substantially in the award of Metra contracts. C-list individuals must adhere to the reporting requirements found in subsection (f) of the Revolving Door Prohibition. Subjection (f) requires C-list individuals, who are offered a new employment during Metra employment or within a period of one year immediately after termination of Metra employment, to notify the OEIG prior to accepting the new offer of employment. Within 10 calendar days after receiving the notification, the OEIG shall make a determination as to whether the employee is restricted from accepting such employment under subsection (a). A determination by the OEIG must be in writing, signed and dated by the OEIG, and delivered to the subject of the determination within 10 calendar days or the person is deemed eligible for the employment opportunity. By statute, All C-list individuals are to be provided written notification that the restrictions apply to their position.

These restrictions do not apply to offers of employment or compensation from the United States government, the State of Illinois, or an Illinois municipality, unit of local government, or school district.

10.3 Additional Revolving Door Restrictions – H List (5 ILCS 430/5-45(h))

A limited number of Metra Officers, Employees, or Appointees, in certain positions, are strictly prohibited from knowingly accepting employment or receiving compensation or fees for services

DRAFT

from a Person or entity if the Person or entity or its parent or subsidiary, during the year immediately preceding termination of Metra employment, was a party to a Metra contract or contracts with a cumulative value of $25,000 or more involving the Officer, Employee, or Metra. Persons affected by these restrictions are commonly referred to as being on the "H-list," in reference to subsection (h) of the revolving door prohibition of the Ethics Act, which contains these employment restrictions.

H-list restrictions apply to:

(1) members or officers;

(2) members of a commission or board created by the Illinois Constitution;

(3) persons whose appointment to office is subject to the advice and consent of the Senate;

(4) the head of a department, commission, board, division, bureau, authority, or other administrative unit within the government of this State;

(5) chief procurement officers, State purchasing officers, and their designees whose duties are directly related to State procurement; and

(6) chiefs of staff, deputy chiefs of staff, associate chiefs of staff, assistant chiefs of staff, and deputy governors.

These restrictions do not apply to offers of employment or compensation from the United States government, the State of Illinois, or an Illinois municipality, unit of local government, or school district.

DRAFT

11.0 Statement of Economic Interest (5 ILCS 420/4A-101 and 102)

All Employees of Metra whose positions meet the criteria for filing established by the Illinois Governmental Ethics Act are required to file a Statement of Economic Interest each year on or before May 1st with the Clerk of Cook County, Illinois, regardless of where they reside.

Employees will be notified by the Human Resources Department if their jobs require them to file a Statement of Economic Interest form.

DRAFT

12.0 Gift Ban

12.1 Gift Ban (5 ILCS 430/10-10, MET 04-05, NIRC 04-01, 49 CFR 18.36(b)(4), FTA Circular 4220.1F)

In concert with the State Gift Ban, 5 ILCS 430/10-10, the Code of Federal Regulations, 49 CFR 18.36(b)(3), and FTA Circular 4220.1F, and except as otherwise provided in this Manual, no Metra Employee, and no Metra Affiliated Person (collectively referred to herein as "recipients"), shall intentionally solicit or accept any Gift from any Prohibited Source, as defined in Section 3.0 (Definitions) of this Manual, or which is otherwise prohibited by law or ordinance. No Prohibited Source shall intentionally offer or make a Gift that violates this Section.

12.2 Gift Ban Exceptions (5 ILCS 430/10-15, MET 04-05, NIRC 04-01)

The Gift Ban restrictions do not apply to the following:

(1) Opportunities, benefits, and services that are available on the same conditions as for the general public.

(2) Anything for which the Employee, or Metra Affiliated Person, pays the fair market value.

(3) Any (i) Contribution that is lawfully made under the Election Code or (ii) activities associated with a fundraising event in support of a Political Organization or Candidate. However, any such Contributions or activities are still subject to Section 6.2 (Metra's Prohibited Political Contributions Policy).

(4) Educational materials and missions[2].

(5) Travel expenses for a meeting to discuss business[3].

(6) A Gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law,

[2] Illinois Administrative Code 1620.700 states that educational materials and missions are those that have a close connection to the recipient's employment; predominately benefit the public and not the employee; and are approved by the employee's Ethics Officer in advance of the mission or receipt of the materials. If advance approval is not practicable, the missions and materials must be reported to the ethics officer as soon as practicable and must contain a detailed explanation of why approval could not be obtained in advance.

[3] Illinois Administrative Code 1620.700 also states that travel expenses of a meeting to discuss Metra business are those that have a close connection to the recipient's employment; predominately benefit the public and not the employee; are for travel in a style and manner in character with the conduct of Metra business; and are approved by the employee's Ethics Officer in advance of the travel, if practicable. If advance approval is not practicable, the travel must be reported to the Ethics Officer as soon as practicable and shall contain a detailed explanation of why approval could not be obtained in advance.

DRAFT

mother-in- law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the individual's spouse and the individual's fiancé or fiancée.

(7) Anything provided by an individual on the basis of a personal friendship unless the recipient has reason to believe that, under the circumstances, the Gift was provided because of the official position or employment of the recipient or his or her spouse or immediate family member and not because of the personal friendship. In determining whether a Gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the Gift was offered, such as: (i) the history of the relationship between the individual giving the Gift and the recipient of the Gift, including any previous exchange of Gifts between those individuals; (ii) whether to the actual knowledge of the recipient the individual who gave the Gift personally paid for the Gift or sought a tax deduction or business reimbursement for the Gift; and (iii) whether to the actual knowledge of the recipient the individual who gave the Gift also at the same time gave the same or similar Gifts to other Employees, or their spouses or immediate family members.

(8) Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of an Officer or Employee), if the benefits have not been offered or enhanced because of the official position or employment of the Employee, and are customarily provided to others in similar circumstances.

(9) Intra-governmental and inter-governmental gifts. For these purposes, "intra-governmental gift" means any gift given to an Employee from an Officer or another Employee of Metra, and "inter-governmental gift" means any gift given to an Employee by an Officer or Employee of another governmental entity.

(10) Bequests, inheritances, and other transfers at death.

(11) Food, refreshments, or any item or items not exceeding a cumulative total of $25 per person in value in one calendar year from all prohibited sources combined.[4]

Each of the exceptions listed in this Section is mutually exclusive and independent of each other.

12.3 Prohibited Source Sponsored Events, Receptions, and Meals

In general, Employees are prohibited from accepting a meal from a Prohibited Source unless it is within the annual $25 limit for gifts. However, the following is an exception to Metra's more restrictive gift ban and does not count toward the annual $25 limit. <u>These exceptions should</u>

[4] The Ethics Act allows for food or refreshments not exceeding $75 per person in value on a single calendar day and any item or items from any one prohibited source during any calendar year having a cumulative total value of less than $100. 5 ILCS 430/10-15. However, Metra employees must follow Metra's more restrictive standard of $25 a year from all Prohibited Sources combined.

never surpass the limits set forth in the Ethics Act. An Employee may accept free *modest*[5] meals or non-alcoholic refreshments from a Prohibited Source under the following circumstances:

(1) Business meals. Employees may accept free modest meals or non-alcoholic refreshments from a Prohibited Source under the following circumstances:
   i. The meal is offered in a manner consistent with the conduct of Metra business;
   ii. The meal is offered during a business meeting for Metra business that the Employee is attending for official reasons and it is impractical for Employees to procure their own lunch; and
   iii. The meal is brought to the business meeting.

(2) Holidays. Departments may accept modest meals or other food items (such as fruit baskets or popcorn tins) that are delivered to the department and not attributed to specific employees, and the occurrence is infrequent and limited to certain times like the holiday season. The food items must be consumed on the premises and they must have nominal value once divided among all shared employees.

(3) Conferences and Seminars. Employees may accept free modest meals or non-alcoholic refreshments when attending a seminar or conference in their official capacity as a Metra Employee and the meals or non-alcoholic refreshments are provided to all participants.

(4) Educational Seminars. Employees may attend and accept modest meals or non-alcoholic refreshments at educational seminars if attendance would further the interests of Metra, the event relates to the Employee's official duties, and the invitation does not involve recreational activities such as golf, tennis, or cruises.

(5) Sponsored Events. Employees may attend functions sponsored and paid for by Prohibited Sources, and accept modest meals or non-alcoholic refreshments at such functions that are provided to all participants, when attending on behalf of Metra and the attendance is related and appropriate to the Employee's official duties.[6] Employee must provide advance written notice of such invitation to the Ethics Officer and receive pre-approval before accepting the invitation. In the event that an Employee receives an award or plaque in recognition of the Employee's service to Metra, Employee may accept the award as long as

[5] Meals are "modest" under this Policy if they are minimal, moderate, and appropriate to the occasion. The combined cost of modest meals and non-alcoholic beverages should never exceed the State Ethics Act's limit of $75 a day for food and refreshments. In general, business meals shall have an estimated cost well below the State Gift Ban Act limit, currently at $75 per employee per day.

[6] The "ticket" cost of attending a sponsored event (excluding food) should never exceed the Ethics Act's current limit, which is $100 in cumulative value for any item or items from any one prohibited source during any calendar year.

the Employee informs the Ethics Officer as soon as practicable. If the award or plaque is greater than $100 in value, it becomes the property of Metra.

12.4 Honoraria (Metra Non-Contract Employees Handbook)

If a Metra employee is asked to speak on company time, or as a representative of Metra, and is given Honoraria, this money must be turned over to the Corporation.

If an employee speaks as a private citizen, on his or her own time, and without conflict of interest, the employee may keep the Honoraria. However, if the employee knows in advance that Honoraria are to be given, the employee should submit a secondary employment request to the Human Resources Department.

12.5 Gift Ban; Disposition of Gifts (5 ILCS 430/10-30)

An Officer or Employee, or Metra Affiliated Person, does not violate the Gift Ban if the recipient promptly takes reasonable action to return a Gift from a Prohibited Source to its source or gives the Gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501 (c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

DRAFT

13.0 Metra's Nepotism Policy (MET 10-16 and NIRC 10-02)

Metra is committed to ensuring that all job opportunities are based solely on individual merit and qualifications. Employees and applicants for employment shall not be denied employment or advancement opportunities because of their status as a family or household member of another Employee. However, the relatives of Employees must not receive any preferential treatment in the employment process. Relatives must follow the same employment procedures as other candidates and will only be considered if they meet the job qualifications of the position for which they are applying, or when being considered for promotion, reclassification, etc. Relatives must not be hired, promoted, or transferred to a permanent position or department where they would be the immediate supervisor or receive direct supervision from a related Person, unless the circumstances are extenuating and approval is secured from the Executive Director/CEO ("CEO") and the Board. Examples of such circumstances are: the requirement for a special or unique skill that the relative has acquired, lack of other available or appropriate supervisory personnel, union labor agreements that guarantee job placements based upon seniority, and other extraordinary situations.

In such cases, the CEO will re-assign the reporting relationship and the Human Resources Department will monitor all employment actions involving these Employees in order to avoid favoritism or the appearance of same.

No relatives of the Board of Directors, CEO or any Employee that has received the level of Senior Director and above will be hired without the consent of the CEO and the Board.

Definitions

Relatives are defined as: spouses, domestic partners, co-habitants, children, step-children, brothers, sisters, parents, step-parents, grandparents, grandchildren, nieces, nephews, in-laws (husband, wife, brother, sister, mother, father), guardians and wards, fiancés, fiancees, any other member of the immediate household, whether or not related by blood, any other relatives not defined, or Persons involved in dating relationship. In the case of an "other" relative or "Person involved in a dating relationship" to be considered for a position, the Human Resources Department will determine if the relationship is distant enough to be excluded from this definition.

Notification of Covered Relationships

Any supervisor, manager, director, department head, or superintendent, etc., who becomes involved in a relationship covered by this policy must notify the Human Resources Department immediately. The Human Resources Department will secure the appropriate approvals and facilitate the handling of the matter.

DRAFT

14.0 Whistleblower Policy

14.1 Illinois Whistleblower Act (740 ILCS 174/1 *et seq.)*

Metra complies with the Illinois Whistleblower Act.

14.2 Certain Policies Prohibited (740 ILCS 174/10)

Metra may not make, adopt, or enforce any rule, regulation, or policy preventing an Employee from disclosing information to a government or law enforcement agency if the Employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation.

14.3 Retaliation for Certain Disclosures Prohibited (740 ILCS 174/15 and 174/35)

Metra may not retaliate against an Employee who discloses information to a government or law enforcement agency, or in a court, an administrative hearing, or before a legislative commission or committee, or in any other proceeding, where the Employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation.

The Whistleblower Act does not apply to disclosures that would constitute a violation of the attorney-client privilege.

14.4 Retaliation for Certain Refusals Prohibited (740 ILCS 174/20)

Metra may not retaliate against anyone for refusing to participate in an activity that would result in a violation of a State or federal law, rule, or regulation, including, but not limited to, violations of the Freedom of Information Act.

14.5 Other Retaliation and Threatening Retaliation (740 ILCS 174/20.1 and 20.2)

Any other act or omission not otherwise specifically set forth in the Whistleblower Act, whether within or without the workplace, also constitutes retaliation by Metra under the Whistleblower Act if the act or omission would be materially adverse to a reasonable Employee and is because of the Employee disclosing or attempting to disclose public corruption or wrongdoing.

Metra may not threaten any Employee with an act or omission if that act or omission would constitute retaliation against the Employee under the Whistleblower Act.

DRAFT

14.6 Civil Penalty and Damages (740 ILCS 174/25 and 30)

Violation of the Whistleblower Act is a Class A misdemeanor.

If Metra takes any action against an Employee in violation of sections 12.2 and 12.3 above, the Employee may bring a civil action against Metra for all relief necessary to make the Employee whole, including but not limited to the following, as appropriate:

(1) Reinstatement with the same seniority status that the Employee would have had, but for the violation;

(2) Back pay, with interest; and

(3) Compensation for any damages sustained as a result of the violation, including litigation costs, expert witness fees, and reasonable attorney's fees.

14.7 Metra's Whistleblower Policy (MET 10-17 and NIRC 10-03)

In addition to and in compliance with the Illinois Whistleblower Act as stated in section 12.1 to 12.7 above, Metra has enacted a Whistleblower Policy to reinforce Metra's strong commitment to the conduct of its business in a lawful and ethical manner.

Metra's Whistleblower policy applies to all Metra Employees and Board Members, as well as all Contractors, subcontractors, consultants, and suppliers (vendors) that do business with Metra.

Metra encourages the reporting of all suspected wrongful conduct, including, but not limited to, the following:

(1) Violations of state and/or federal laws and regulations applicable to Metra;

(2) Contract and procurement fraud, or collusion involving contracts with Metra Contractors, subcontractors, suppliers, or vendors;

(3) Misuse, embezzlement, or theft of Metra property or funds;

(4) Bribery or acceptance of gratuities in connection with Metra operations or transactions with vendors;

(5) Employee misconduct, such as misuse of official position, or unauthorized use of Metra property for personal gain;

(6) Conflicts of interest; and

(7) Other unethical or illegal activities involving Metra property, Employees, or vendors.

DRAFT

14.8 Reporting of Wrongdoing

Employees are expected and encouraged to report any alleged wrongdoing. Employees can communicate complaints of wrongdoing directly to Metra's Ethics Officer or contact Metra's compliance hotline by calling 312-COMPLY1 (312-266-7591) or emailing compliancecounts@metrarr.com. Anonymous reporting is allowed.

Employees may also report alleged wrongdoing directly to the appropriate outside agencies, such as the OEIG, or state, local, or federal law enforcement agencies. Those Employees wishing to report complaints to the OEIG can visit the OEIG website at www.inspectorgeneral.illinois.gov for instructions on reporting misconduct, fraud, or abuse related to Metra.

14.09 Prohibition Against Retaliation (MET 10-17 and NIRC 10-03)

It is essential that Metra Employees and vendors are able to report suspected violations of Metra policies or illegal activities that they become aware of without fear that they will lose their position, hinder advancement, or be subject to retaliation by co-workers or supervisors. For purposes of Metra's Whistleblower Policy, retaliation includes any action that results in reprimand, discharge, suspension, demotion, denial of promotion, or transfer that occurs as the result of any Employee's exercise of his or her rights under this Policy. Retaliation also includes any action that results in the refusal to award contracts as the result of a vendor exercising its rights under this Policy.

14.10 Filing False Reports (MET 10-17 and NIRC 10-03)

An Employee or vendor must make a reasonable attempt to ascertain the correctness of any information that the Employee or vendor reports. It is the practice of Metra not to allow retaliation for good faith reports of wrongful conduct, fraud, corruption or waste. It is at the same time unacceptable to knowingly file a false report. Any Employee who knowingly violates this prohibition will be subject to discipline in accordance with Metra policies up to and including termination. Any vendor who knowingly violates this prohibition will be subject to discipline in accordance with Metra policies up to and including debarment.

DRAFT

15.0 OEIG Investigations

The Ethics Act designates the OEIG to serve as Executive Inspector General for Metra. The OEIG will accept all complaints of misconduct relating to Metra, and when appropriate, will open and conduct investigations.

15.1 Employees' Responses to OEIG's Request for Documents

As part of an investigation, the OEIG investigators may, to the extent permitted by applicable laws and rules governing the conduct of Executive Inspectors General, request for production or viewing documents or physical objects under Metra's control. Such requests must be made in writing by the OEIG. OEIG requests may potentially ask for documents or physical objects that are protected from disclosure by the attorney-client privilege or other applicable privileges.

To promote cooperation with the OEIG in its investigations while preserving Metra's rights, it is the policy of Metra that Employees who receive such a written request from the OEIG for the production or viewing of any documents or physical objects under Metra's control or otherwise owned by Metra, must consult with Metra's Ethics Officer regarding such a request. This is to ensure that Metra can make a determination whether any applicable privileges might apply. As such, Employees receiving any requests from the OEIG for Metra documents or physical objects must immediately inform Metra's Ethics Officer or an attorney in Metra's Law Department about the request. No Metra Employee shall disseminate or otherwise make available any such requested documents or physical objects to the OEIG directly. All requests for documents or physical objects by the OEIG must be handled by Metra's Ethics Officer or an attorney in Metra's Law Department.

This requirement does not prohibit an Employee from speaking with the OEIG directly without the Ethics Officer involvement. Further, this requirement does not inhibit an Employee's ability to report or discuss any wrongdoing. Employees are expected and encouraged to report any alleged wrongdoing with the appropriate internal party or external government agencies, including the OEIG.

Questions regarding OEIG investigations can be referred to Metra's Ethics Officer.

DRAFT

16.0 Penalties

Violation of any portion of this Manual subjects Employees to discipline, up to and including termination. Employees are also subject to any penalties as mandated by law for violations of any state, local, or federal laws. Please note that certain statutes have particular penalties that apply.

16.1 Ethics Act Penalties (5 ILCS 430/50-5)

In addition to discipline by Metra, or penalties as mandated by state, local, or federal laws, the Ethics Act also provides the below penalties for violation of the provisions of the Ethics Act.

(a) A Person is guilty of a Class A misdemeanor if that Person intentionally violates any provision of Section 5-15 (Prohibited Political Activities), 5-30 (Prohibited Offer or Promise), 5-45 (Procurement; Revolving Door) or Article 15 (Whistle Blower Protection).

(b) An ethics commission may levy an administrative fine for a violation of Section 5-45 of the Ethics Act (Procurement; Revolving Door) of up to 3 times the total annual compensation that would have been obtained in violation of the Revolving Door Prohibition.

(c) A Person who intentionally violates any provision of Article 10 (Gift Ban) is guilty of a business offense and subject to a fine of at least $1,001 and up to $5,000.

(d) Any Person who intentionally makes a false report alleging a violation of any provision of the Ethics Act to an ethics commission, an inspector general, the State Police, a State's Attorney, the Attorney General, or any other law enforcement official is guilty of a Class A misdemeanor.

(e) An ethics commission may levy an administrative fine of up to $5,000 against any Person who violates this Act, who intentionally obstructs or interferes with an investigation conducted under this Act by an inspector general, or who intentionally makes a false, frivolous, or bad faith allegation.

(f) In addition to any other penalty that may apply, whether criminal or civil, intentional violation of the ethics act subjects the Person to discipline or discharge by Metra.

DRAFT

Appendix to start here

DRAFT