

*New York University
Code of Ethical Conduct*



*By action of the Audit Committee
New York University Board of Trustees*

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New York University

Code of Ethical Conduct

PREFACE

In furtherance of maintaining and promoting New York University's reputation for excellence and integrity, the Board of Trustees has promulgated this Code of Ethical Conduct, which sets forth the general principles to which we subscribe and to which we expect every member of the University - every part-time and full-time employee, faculty member, officer, trustee, overseer, and advisory board member - to adhere. These principles have been derived from federal, state, and local laws and regulations, University policies and procedures, contractual and grant obligations, and generally accepted principles of ethical conduct.

I. ADHERENCE TO THE HIGHEST ETHICAL STANDARDS

Every member of the University shall, at all times, conduct his or her activities in accordance with the highest professional and community ethical standards.

II. RESPECT FOR AND COMPLIANCE WITH THE LAW

Every member of the University is expected to become familiar with those laws, regulations, and University rules which are applicable to his or her position and duties, and to comply with both their letter and spirit. The University will implement programs to further members' awareness and to monitor and promote compliance. All questions and concerns about the legality or propriety of any action or failure to take action by or on behalf of the University should be referred to either the member's supervisor or to the Office of Legal Counsel.

III. COMPLIANCE WITH ALL CONTRACTUAL AND GRANT TERMS AND CONDITIONS

Every member of the University is expected to maintain access to and to comply strictly with the terms and conditions of each University grant and contract on which he or she is working. All questions or concerns about whether a particular term or condition violates the law or whether the grantor or contractor has breached its obligations to the University should be referred promptly to the Office of Legal Counsel.

IV. SUPPORT OF THE UNIVERSITY'S GOALS AND AVOIDANCE OF CONFLICTS OF INTEREST

New York University is a not-for-profit institution which is dedicated to teaching and research. Every member of the University is expected to faithfully carry out his or her professional duties in furtherance of the University's mission. Every member has a duty to avoid conflicts between his or her personal interests and official responsibilities and to comply with University and applicable School codes and guidelines for reporting and reviewing actual and potential conflicts of interest and conflicts of commitment. Additionally, a member may not utilize his or her position with the University for his or her personal benefit. Members are also expected to consider and avoid, not only an actual conflict but also, the appearance of a conflict of interest.

V. MAINTENANCE OF THE HIGHEST STANDARDS OF ACADEMIC INTEGRITY

Every member of the University involved in teaching and research activities is expected to conform to the highest standards of honesty and integrity. Activities such as plagiarism, misrepresentation, and falsification of data are expressly prohibited. All research at the University must be conducted in strict conformity with the applicable University policies, procedures, and approvals and the requirements of all governmental and private research sponsors.

VI. RESPECT FOR THE RIGHTS AND DIGNITY OF OTHERS

New York University is committed to a policy of equal treatment, opportunity, and respect in its relations with its faculty, administrators, staff, students, and others who come into contact with the University. Every member of the University is prohibited from discriminating on the basis of race, color, religion, sexual orientation, gender and/or gender identity or expression, marital or parental status, national origin, citizenship status, veteran or military status, age, disability, and any other legally protected status; physically assaulting, emotionally abusing, or harassing anyone; and depriving anyone of rights in his or her physical or intellectual property, under University policy, or under federal, state, and local laws.

VII. STRIVING TO ATTAIN THE HIGHEST STANDARDS OF PATIENT CARE

Every member of the University involved in furnishing medical and dental services is expected to provide the highest quality of services responsive to the needs of patients, their families, and the communities in which the University functions. All patient care must be reasonable, necessary, and appropriate to the situation and be provided only by duly qualified University personnel. All patient records and documentation must conform to all applicable legal and payor requirements as well as professional standards. Every member of the University is expected to protect the confidentiality of patient information.

VIII. MAINTENANCE AND PRESERVATION OF ACCURATE RECORDS

Members of the University are expected to create and maintain records and documentation which fully conform to all applicable laws and professional, and ethical standards. Every member of the University who is involved, directly or indirectly, in the preparation or submission of a bill to any governmental or private payor is expected to use his or her best efforts to ensure the bill addresses only those services rendered and products delivered and in the correct amount, supported by appropriate documentation.

IX. CONDUCTING BUSINESS PRACTICES WITH HONESTY AND INTEGRITY

Every member of the University is expected to conduct all business with patients, payors, vendors, competitors, and the academic community with honesty and integrity. This duty includes, but is not limited to: adherence to federal and state anti-fraud and referral prohibitions in dealing with vendors and referral sources; adherence to all antitrust laws (such as those governing prices and other sales terms and conditions, improper sharing of competitive information, allocation of territories, and group boycotts); and protecting and preserving University property and assets--including proprietary intellectual property, buildings, equipment, books, supplies, and funds.

X. CONCERN FOR HEALTH AND SAFETY; RESPECTING THE ENVIRONMENT

Every member of the University is expected, in the performance of his or her duties, to comply with all laws and regulations which govern occupational and patient health and safety and to make every reasonable effort to ensure that students, faculty, patients, employees, and visitors are protected from undue health risks and unsafe conditions.

Every member of the University is expected, in the course of his or her activities: to comply with all applicable environmental laws and regulations; to ensure that the University has obtained all necessary licenses, permits, and approvals; and to employ the proper procedures and controls in the storage and handling of radioactive and toxic materials and in the handling and disposition of hazardous and biohazardous wastes.

XI. REPORTING SUSPECTED VIOLATIONS OF THE CODE; ENFORCEMENT OF THE CODE

This Code of Conduct has been created and exists for the benefit of the entire University and all of its members. It exists in addition to and is not intended to limit the specific policies, procedures, and rules enacted by the University and each of its Schools.

Each member of the University is expected to uphold the standards of New York University and to report suspected violations of the Code or any other apparent irregularity to either his or her Supervisor, Human Resources, Financial Compliance and Internal Audit, Research Compliance, Operational Risk Management, the School Compliance Officer, the Office of Legal Counsel, the University Compliance Officer, or the **NYU NO CALLER ID toll-free COMPLIANCE LINE (877) 360-7626**. If a member prefers, he or she may make the report anonymously (by mail, by web (www.nyu.edu/compliance), or by the Compliance Line). The University will, if requested, make every reasonable effort to keep confidential the identity of anyone reporting a suspected violation, to the extent permitted by law, and except if doing so would effectively prevent the University from conducting a full and fair investigation of the allegations.

This Code of Ethical Conduct will be enforced. Reports of suspected violations will be investigated by authorized University personnel. Officers, managers, and supervisors have a special duty to adhere to the principles of the Code, to encourage their subordinates to do so, and to recognize and report suspected violations. Each member of the University is expected to cooperate fully with any investigation undertaken. If it is determined that a violation has occurred, the University reserves the right to take corrective and disciplinary action against any person who was involved in the violation or who allowed it to occur or persist due to a failure to exercise reasonable diligence. Additionally, the University may make an appropriate disclosure to governmental agencies (including law enforcement authorities). Disciplinary actions will be determined on a case-by-case basis and in accordance with the applicable disciplinary codes.

XII. PROMISE OF NO RETALIATION

The University promises that there will be no adverse action, retribution, or other reprisal for the good faith reporting of a suspected violation of this Code, even if the allegations ultimately prove to be without merit. The University will, however, pursue disciplinary action against any member who is shown to have knowingly filed a false report with the intention to injure another.

The University reserves the right, at any time, and without notice, to amend this Code of Conduct in its sole, good faith, discretion. This Code does not form a contract.

<p>For more interpretation of the articles of this Code as it relates to members of the faculty please refer to Questions and Answers for Faculty Members Regarding the Compliance Program and the NYU Code of Ethical Conduct.</p>

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Questions and Answers

***QUESTIONS AND ANSWERS FOR FACULTY MEMBERS
REGARDING THE NYU CODE OF ETHICAL CONDUCT***

QUESTION:

Why did the Board of Trustees request the adoption of a formal compliance program at NYU?

ANSWER:

Compliance is not a new policy at NYU. Members of the University have always been expected to comply with applicable federal, state, and local laws and regulations, all University policies and procedures (including those set forth in the Faculty Handbook), and the terms and conditions of research grants and contracts. The Board continues to hold the members of the University community in the highest regard, but is aware that not-for-profit institutions such as universities are potentially exposed to:

- severe fines and penalties for criminal violations (which may be committed by no more than one or a few inappropriately behaving employee or faculty members), including institutional suspension and debarment from the receipt of federal grants, federal student aid, and the Medicare and Medicaid programs; and
- large damage awards for civil fraud actions brought by either the Government or by individuals-who may be current or former employees.

The implementation of effective, formal compliance systems have been shown to:

- promote legal and ethical behavior and thereby reduce the potential for the occurrence of improper activities;
- frequently detect wrongdoing when it occurs and include a system for prompt investigation of allegations and minimization of adverse consequences through corrective action;
- help, during a government investigation, to demonstrate that the institution is supportive of lawful behavior and that any wrongdoing which may have occurred was limited to the unauthorized actions of relatively few individuals; and
- be a factor used by federal judges, under the federal sentencing guidelines to sentence an organization when and if it is held liable for the criminal behavior of some of its members, and, as such, may reduce institutional fines and penalties by as much as 95%.

QUESTION:

What is a code of ethical conduct, and what is the derivation of the principles embodied in the New York University Code of Ethical Conduct?

ANSWER:

A code of ethical conduct is generally the centerpiece of a formal compliance program, a framework which officially sets forth the institution's commitment to ensuring various high ethical standards and compliance with the law. The Inspector Generals of federal agencies have issued compliance guidelines for institutions for which they have oversight authority. Such guidelines generally include the creation and distribution to all members of the institution of a set of standards of conduct (i.e., an organizational code of ethical conduct) which include a clearly delineated commitment to compliance by the institution's administration. Because at any large institution such as NYU there are so many people with so many different functions and responsibilities, the Code of Ethical Conduct becomes a brief embodiment of the theme: "The NYU community adheres to the highest standard of ethical and lawful conduct."

The principles embodied in the New York University Code of Ethical Conduct are based upon widely accepted concepts of appropriate behavior which reflect existing University policies and procedures and applicable law.

QUESTION:

Who has been overseeing the development of the NYU compliance program?

ANSWER:

The University has created a University Compliance Program Oversight Committee. It is chaired by the Provost of the University. Its members consist of: the Deans of the Faculty of Arts & Science, the School of Medicine, and the College of Dentistry; the Senior Vice President, General Counsel, and Secretary of the University; the Vice President for Finance of the University; and a new position, the Chief Compliance Officer of the University. The Chief Compliance Officer is entrusted with the primary responsibility for developing the compliance program at NYU. The New York University Code of Ethical Conduct was reviewed by the University Compliance Oversight Committee and formally adopted by the Audit Committee of the Board of Trustees.

While the University Compliance Program Oversight Committee will be responsible for providing general oversight of the compliance program, substantial autonomy remains with individual schools and colleges to organize and implement local control of compliance efforts. Thus far the School of Medicine and the College of Dentistry have each chosen to create a local compliance committee.

The University Compliance Oversight Committee encourages constructive suggestions from the Faculty Council and from members of the University to improve the effectiveness of the compliance program.

QUESTION:

Does the Code supersede or override any of the provisions of the Faculty Handbook?

ANSWER:

No. The Code sets forth a set of principles of appropriate behavior consistent with the Faculty Handbook, including the Ethical Commitment set forth on page ii. At the suggestion of the Governance Committee of the Faculty Council, the Code will be incorporated into the Faculty Handbook, the Employee Handbook, and the Student Handbook.

QUESTION:

Why is there a Compliance Line?

ANSWER:

As part of the compliance program, the University has established a No-Caller ID, toll-free Compliance Line. The telephone number is: (877) 360-7626. We have a Compliance Line:

- To facilitate reporting concerns. While we encourage everyone to raise issues within his or her normal reporting chain, or to Human Resources, Financial Compliance and Internal Audit, Research Compliance, Operational Risk Management, the School Compliance Officer, the Office of Legal Counsel, or the University Compliance Officer, sometimes people are hesitant to do so. The Compliance Line is an additional reporting option to help assure that no one need be afraid to report a problem, raise a concern, or ask a sensitive question.
- Because the Inspector Generals of various federal agencies expect us to have one.
- Because every federal agency has its own toll-free compliance line, and we want everyone with a concern to raise it first internally so that we can assess it, develop a corrective action plan, and, if applicable, self-report the problem and its correction to the Government.
- Because without a compliance line there is a reduced chance that we will learn of a problem before the Government does, and, if so, the University is apt to suffer considerably worse treatment from the Government than if we had disclosed and corrected it ourselves.

QUESTION:

Will the fact that people are permitted to report allegations anonymously on the Compliance Line substantially increase the likelihood that innocent individuals will be defamed? How will preliminary internal investigations be handled?

ANSWER:

That has not been the experience here or elsewhere. With or without a compliance line or a compliance program, there is nothing to prevent anyone from sending an anonymous letter to either the University administration or to a Government agency defaming some innocent person. While the Code promises there will be no adverse action taken against anyone for the good faith reporting of a suspected violation, it also provides that disciplinary action will be taken against any member who is found to have maliciously made a false report. As a practical matter, purely malicious calls are rarely received on compliance lines.

Consistent with past University practice, all preliminary internal fact-finding relating to allegations of wrongdoing will be handled sensitively, and in accordance with preexisting rules and practices. The goal, as always, will be to obtain an objective determination of the facts while making every effort to prevent unnecessary injury to reputations.

QUESTION:

What will happen if the preliminary fact-finding process appears to indicate a fair probability that a member of the faculty may have involved in misconduct?

ANSWER:

If the preliminary fact-finding process reveals sufficient evidence of misconduct to warrant further examination, the matter will be referred to the Dean of the member's school with a recommendation that he or she pursue the matter under existing codes such as those found at pages 36-45 and 94-98 of the Faculty Handbook.

QUESTION:

The Code provides that "a member may not utilize his or her position with the University for his or her personal benefit." Does that mean a faculty member who writes an article or a book, creates a work of art, or does something else on his personal time may not cite his or her NYU faculty appointment because it may lend authority and prestige to that something and enhance the member's economic return? What is intended by this provision?

ANSWER:

A faculty member remains free to include a reference to his or her NYU faculty appointment in connection with his or her pursuits. The Code is directed at sensitizing individuals so as to avoid their becoming involved in situations which may present conflicts of interest or the appearance of impropriety. The provision is aimed at discouraging a person from taking inappropriate advantage of his or her NYU position. While it is not possible to define, in advance, every potential circumstance where this might arise, a few examples may be helpful.

Suppose someone holds a senior position in a department in one of the schools or in the University administration. A potential vendor of an expensive piece of equipment is trying to obtain a contract to sell that equipment to the University. The person approaches the vendor, explains his or her position—expressly or impliedly suggesting that he or she may be instrumental in helping to make the final selection for the University, and suggests the vendor may wish to pay for his or her trip to the vendor's manufacturing site so he or she can make a better evaluation. The site just happens to be in Hawaii. The person may or may not be able to influence the actual selection, or, even if so, has no intention of attempting to do so. He or she only wants to get a free trip to a desirable vacation site. Assume there is neither an explicit nor an implied understanding that the person will try to bring about the selection of the vendor's equipment, so this is not a solicitation of a bribe. It is, nonetheless, an example of a member of the University trying to take inappropriate advantage of his or her position with the University.

Another example: a faculty member or other employee has a side business as a travel agent. Assuming he or she is not responsible, as part of his or her employment with NYU, to order tickets and/or make travel reservations for University personnel, there is nothing inappropriate about that person acting as a travel agent on his or her own personal time, away from University facilities, without using University resources (e.g., telephone, fax, computers). If, however, someone were to use his or her NYU office, NYU telephones, fax, or PC from which to run a travel agency, either during or after that person's regular working hours, this would be an example of someone utilizing his or her position with the University for his or her personal benefit.

QUESTION:

Does the Code impact upon the rules governing intellectual property?

ANSWER:

No. As one of its governing principles, the Code (Section VI. RESPECT FOR THE RIGHTS AND DIGNITY OF OTHERS) simply states that: "Every member of the University is expressly prohibited from...depriving anyone of rights in his or her physical or intellectual property." Protection of intellectual property rights is addressed in a number of University policies and procedures, including but, not limited, to the following:

- Plagiarism in research is one kind of scientific misconduct addressed in "Principles and Procedures for Dealing with Allegations of Faculty Misconduct in Scientific Research" (Faculty Handbook, p. 94)
- The ownership of patents and inventions is addressed in "Statement of Policy on Patents" (Faculty Handbook, p. 102-105).
- The ownership of copyrights is addressed in "Statement of Policy on Copyrights". (Faculty Handbook, p. 106-107).
- The ownership of copyrights in computer software is addressed in "Statement of Policy on Computer Software" (Faculty Handbook, p. 108-110).
- The doctrine of "fair use" in connection with the reproduction of copyrighted materials in connection with educational use is addressed in "Statement of Policy on Photocopying Copyrighted Materials" (Faculty Handbook, p. 111-115)

QUESTION:

The Code states that "each member of the University is expected to...report suspected violations of the Code or any other apparent irregularity..." Does this threaten invasions of personal privacy, or require everyone to spy on his or her neighbor?

ANSWER:

The University has no interest in prying into the purely personal and private affairs of any of its members. It must, however, be concerned about violations of applicable law, regulations, and terms and conditions of grants and contracts-any of which can create difficult problems for both the University and its members. No one is expected to start investigating his or her workplace neighbors. Neither is there any expectation that everyone must know what his or her workplace neighbors are supposed to be doing or not doing. But there are times when it becomes patently obvious to a co-worker or colleague that a fellow worker is, or at least appears to be, doing something wrong or very questionable. At such times, it is hoped and expected that the observer would bring the matter to the attention of his or her colleague. If, however, that is something which makes the observer uncomfortable or is otherwise impractical, it is hoped and expected that the observer will bring the matter to somebody's attention, preferably within the observer's normal supervisory chain (his or her supervisor, department chair, or dean), or, alternatively to Human Resources, Financial Compliance and Internal Audit, Research Compliance, Operational Risk Management, the School Compliance Officer, the Office of Legal Counsel, the University Compliance Officer, or the Compliance Line.

Supervisors, because it is their job to supervise, are generally held to a higher standard than a co-worker or a colleague. Even then, supervisors are not generally expected to oversee every detail of their subordinates' activities. However; if a serious matter comes to light, and, should it be discovered that a subordinate was doing something wrong which his or her supervisor, in the ordinary course of reasonable supervision, either knew or should reasonably have known was wrong, it is appropriate to hold that supervisor responsible for having allowed the situation to occur or persist due to a failure to exercise due diligence. The rule applied is simply what would be expected from a reasonable person under similar circumstances.