

# Memo

TO: ABA Members, Employees and Contractors  
FROM: William Neukom, President  
RE: Business Conduct Standards  
DATE: February 4, 2008

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The revised ABA Business Conduct Standards were introduced to ABA employees and became effective December 1, 2007. They reflect our commitment to serving our members by promoting justice, professional excellence and respect for the law. By following these standards, we exhibit the high standards of integrity, ethics and fair dealing appropriate to the world's largest voluntary professional membership association. It is important that we all understand and uphold these standards.

These Business Conduct Standards were developed by a committee of members who are experts in this area. They were approved by the Board of Governors on October 20, 2007.

They apply to members while they are engaged in ABA work or activities, as well as contractors, vendors and employees.

As with any conduct standards, the ABA Business Conduct Standards do not cover every conceivable situation that might arise. The important thing to remember is that all Members, Employees and Contractors are expected to comply with the spirit and intent of these Business Conduct Standards when engaged in ABA activities, and use their professional skills, personal values and good judgment to assist the ABA in maintaining the highest standards of legal and ethical compliance.

# **Business Conduct Standards**

**American Bar Association**

**Effective**

**December 1, 2007**

**AMERICAN BAR ASSOCIATION**  
**BUSINESS CONDUCT STANDARDS**

**CONTACT INFORMATION**

As discussed below, the American Bar Association's Business Conduct Standards ("BCS") apply whenever a Member or Employee is performing services for or on behalf of the ABA, and whenever a Contractor is performing services for or supplying goods to the ABA. It is therefore particularly important that all Members, Employees and Contractors consider the BCS whenever they are conducting ABA business and, if they find themselves in situations that may raise legal or ethical issues, or that are otherwise identified in the BCS, they make the following contacts:

1. For making a report or requesting advice concerning conduct or contemplated conduct that raises or may raise legal or ethical issues, or that otherwise involves violations of the BCS, you may contact either:

ABA Ethics Officer/Internal Auditor

J. Heather Meister  
telephone: 312-988-5127  
email: [meisterh@staff.abanet.org](mailto:meisterh@staff.abanet.org)  
mail: ABA Ethics Officer  
321 N. Clark Street  
Chicago, IL 60610-4714

ABA Ethics Hotline

[www.ethicspoint.com](http://www.ethicspoint.com)

2. For reporting or requesting advice concerning legal issues, you may also contact:

General Counsel's Office

R. Thomas Howell, Jr.  
telephone: 312-988-5215  
e-mail: [thowell@staff.abanet.org](mailto:thowell@staff.abanet.org)

3. For reporting unsafe practices or conditions in the office or while attending ABA functions, you may contact:

Director, Administrative Services

Diana Gilbert  
telephone: 312-988-6251  
e-mail: [GilbertDiana@staff.abanet.org](mailto:GilbertDiana@staff.abanet.org)

Meetings and Travel Department

general telephone: 312-988-5871  
or the assigned meeting planner

4. For reporting or for questions concerning copyright or other intellectual property issues, you may contact:

Director, Copyrights & Contracts

Alexis Hart McDowell  
telephone: 312-988-6101  
e-mail: [McDowelA@staff.abanet.org](mailto:McDowelA@staff.abanet.org)

# **AMERICAN BAR ASSOCIATION**

## **BUSINESS CONDUCT STANDARDS**

### **A. Introduction**

The American Bar Association (the “ABA” or “Association”) is the largest voluntary professional membership association in the world. The mission of the Association is to be the national representative of the legal profession, serving the public and the profession by promoting justice, professional excellence and respect for the law. It is of particular importance that every individual working on ABA business -- whether they are members, staff, or contractors – lead by example by adhering to the highest ethical and legal standards. Members of the Association (including without limitation, its Officers, House of Delegates, Board of Governors, Section Chairs, Committee members and all other members who conduct ABA business, including member volunteers working on projects on behalf of the ABA and law student members (together, “Members”), the staff of the Association (“Employees”), and third parties who conduct business with or for the Association, such as independent contractors, consultants or vendors (“Contractors”) have an obligation to conduct Association business at the highest ethical level, as well as within the law.

The Business Conduct Standards (“BCS”) apply whenever Members, Employees or Contractors conduct ABA business; that is, they apply whenever a Member or Employee is performing services for or on behalf of the ABA, and whenever a Contractor is performing services for or supplying goods to the ABA. The BCS set out ethical and legal responsibilities that all ABA Members, Employees, and Contractors are expected to follow when conducting ABA business. Because they cannot cover all situations that may arise, each Member, Employee and Contractor is entrusted with abiding by the spirit and intent of the BCS in every situation each faces when conducting ABA business.

### **B. The Ethics Process**

#### **Making Ethical Decisions**

Making ethical decisions is critical to promoting respect for the law and to achieving the highest standards of professionalism and competence in the legal profession. All Members, Employees and Contractors are expected to bring professional skills, personal values and good judgment when conducting ABA business, to assist them in making ethical decisions.

Members, Employees and Contractors are also expected to fully comply with all applicable governmental laws, rules and regulations (“Law”), and all ABA policies, including the BCS, that govern the conduct ABA business (“Policies”). For Employees, the Policies also include those set out in the ABA Employee Handbook.

It makes no difference if a Member, Employee or Contractor engages in illegal or unethical conduct to benefit themselves or others, or whether they do so in a misguided attempt to benefit the ABA. Good intentions do not justify improper conduct or violations of Law or Association Policy. Members, Employees and Contractors may not use third parties to do anything they themselves are prohibited from doing. Pressures from other Members, Employees

or Contractors or business demands are no excuse. The ABA's success in maintaining the highest standards of legal and ethical compliance can best be achieved when ABA Members, Employees and Contractors keep the BCS in mind whenever they are conducting ABA business.

### **Seeking Assistance and Making Reports**

Anyone who, while conducting ABA business, becomes aware of conduct or contemplated conduct that raises or appears to raise legal or ethical issues, should make a report to the ABA Ethics Officer or the Ethics Hotline. In addition, anyone conducting ABA business who finds him/herself working in circumstances that may be questionable under the BCS should contact the ABA Ethics Officer or the Hotline for clarification as to whether the conduct or contemplated conduct is appropriate. If at any time there is doubt about whether the ABA Ethics Officer or the Hotline should be contacted, the contact should be made.

### **ABA Ethics Officer and the Ethics Hotline**

The ABA has established an Ethics Officer and an Ethics Hotline for the confidential reporting of, and for seeking advice on, potential legal and ethical concerns that arise in the course of conducting ABA business.

The ABA Ethics Officer is the Association's Internal Auditor, J. Heather Meister, or her successor. The Ethics Officer can be contacted by telephone at 312-988-5127, or by mail at ABA Ethics Officer, 321 N. Clark Street, Chicago, IL 60610-4714, or by email at [meisterh@staff.abanet.org](mailto:meisterh@staff.abanet.org).

The ABA Ethics Hotline can be contacted at [www.ethicspoint.com](http://www.ethicspoint.com). The Ethics Hotline is available to Members, Employees, Contractors and the public. It is administered by EthicsPoint®, an independent third party. Anonymity as to the person making a report on the Ethics Hotline, if requested, is guaranteed by EthicsPoint®. Reports received by the Ethics Hotline are sent to the Ethics Officer.

### **C. Investigation of Reports**

Each report will be investigated. Investigations will be overseen by the Ethics Officer and the General Counsel, who may utilize Members, Employees or outside resources to assist them. The existence of an investigation will be kept confidential, to the extent practicable, until the investigation is concluded and a decision is made as to any action to be taken. Obstructing or undermining investigations, withholding or destroying information or providing misleading information related to possible illegal or unethical conduct are also violations of the BCS.

The Ethics Officer and the General Counsel will jointly prepare their recommendation of the action to be taken. After the investigation, written notification of the recommendation will be sent to the party who made the report (if known), and if the report is found to have merit, the party against whom the report was made.

If an investigation involves, in whole or in part, a Member (including ABA Officers and members of the Board of Governors), the recommendation will be presented to the Board of Governors, after recusal of any Officer or Governor for whom the matter presents a conflict of interest. The presentation will be in executive session, at which the Member will be given a reasonable opportunity to be present with counsel and be heard in his/her own defense. The

Board of Governors will determine what action will be taken which, on a finding of good cause, may include censure or suspension or removal from membership. The decision by the Board is final and not appealable.

If the investigation involves, in whole or in part, an Employee or Contractor, the recommendation will be presented to the Executive Director. After the Employee or Contractor is given a reasonable opportunity to be heard in his/her/its defense, the Executive Director will make the decision as to any action to be taken, which may include discipline up to and including termination of employment for Employees, and up to and including termination of present and future business relations for Contractors. The Executive Director's decision is final and not appealable. If the investigation involves the Ethics Officer, the investigation will be overseen by the General Counsel; if it involves the General Counsel, it will be overseen by the Ethics Officer. If the investigation involves the Executive Director, the results of the investigation shall be presented to the President, who will determine how the matter will proceed.

If the Board of Governors or the Executive Director, as applicable, determine that the action should be publicly disclosed, no disclosure will occur until after written notification of the decision is received by the Member, Employee or Contractor, as applicable. Written notification of the action taken will also be sent to the party who made the report (if known).

#### **No Retaliation (Whistleblower Protection)**

The ABA does not permit retaliation against any Member, Employee or Contractor who, in good faith, reports a situation or event to the ABA Ethics Officer or the Hotline. Any Member, Employee or Contractor who, after the ABA's investigation as set out in this Section C, below, is found to have been involved in retaliation is subject to the actions described in this Section C.

#### **D. ABA Environment**

The ABA's commitment to maintaining the highest standards of legal and ethical compliance includes all factors that create the environment under which ABA Members, Employees and Contractors conduct ABA business. Anyone conducting ABA business who finds him/herself working in circumstances that may be questionable under the BCS should contact the ABA Ethics Officer or the Hotline for clarification as to whether conduct or contemplated conduct is appropriate.

#### **Equitable Treatment**

The ABA is committed to the equitable treatment of all Members, Employees and Contractors. The ABA actively promotes diversity within its membership, in activity-related matters such as Section, Committee or other ABA entity assignments, and in its workforce and within the legal profession.

The ABA is dedicated to equal employment opportunity for its workforce that is without regard to race, color, sex, national origin, age, religion, disability, veteran status, sexual orientation or other protected characteristics. Equal employment opportunity applies to all aspects of the employment process including promotion, placement, training and compensation. The ABA is committed to compliance with all applicable employment laws.

Members, Employees and Contractors are encouraged to promptly report conduct that does not comply with this commitment to the Ethics Officer or the Ethics Hotline.

### **Harassment and Discrimination**

In addition to complying with the Law, the ABA will not tolerate verbal, sexual or physical harassment of any kind by a Member, Employee, or Contractor that disrupts another's duties or job performance, or creates an intimidating, offensive, abusive or hostile environment. It is a violation of the BCS to engage in harassment, including but not limited to unwelcome sexual advances, requests for sexual favors, and otherwise to engage in unwelcome verbal or physical conduct of a sexual nature through jokes, e-mails and other forms of communication.

Members, Employees and Contractors are encouraged, but are not required, to inform the harasser that the conduct is unwelcome, but they should promptly report the conduct to the Ethics Officer or the Ethics Hotline, to make it possible for the ABA to institute an investigation of the conduct.

### **Health and Safety**

In addition to complying with the Law, Members, Employees and Contractors must observe the health and safety rules and practices that apply to their duties or position, and foster a safe work and activity environment for everyone. Members, Employees, and Contractors should immediately report unsafe practices or conditions to the Ethics Officer or the Ethics Hotline. If a practice or condition appears to be hazardous, the Director of Administrative Services or, if applicable, the responsible Meeting Planner, if known, or the Meetings and Travel general telephone number should be contacted at once. Contact information for each is provided on page 2 of the BCS.

### **Violence in the Workplace**

The ABA has "zero tolerance" for any behavior that endangers the safety of its Members, Employees and Contractors. In addition to reports made to law enforcement, Members, Employees and Contractors should also report attempts at or actual violence against themselves or third parties on ABA premises, including sites being used in connection with ABA functions, to the Ethics Officer or the Ethics Hotline, or, if applicable, to the responsible Meeting Planner.

### **Alcohol and Drugs**

Although alcohol is an enjoyable part of many ABA functions, Members, Employees and Contractors may not participate in any such functions in a condition that prevents them from participating safely and from conducting ABA business effectively. With the exception of such functions only, Employees must report to work and/or conduct ABA business free from the influence of alcohol or any illegal substance. The ABA prohibits the possession, sale, purchase, delivery, use or transfer of illegal substances on ABA property or at Association functions.

### **Managerial Responsibility**

Managers (Employees who supervise other Employees or oversee Contractors) are expected to lead by example and exemplify the highest of ethical and legal standards in

conducting ABA business. Managers are expected to foster a work environment that promotes honest and ethical behavior and to be familiar with the Law and Policies applicable to their areas of responsibility. When a Manager reasonably believes an Employee or Contractor is engaging in illegal or unethical conduct, the Manager must promptly report the conduct to the Manager's supervisor or, if that is not practicable, to the supervisor's supervisor. The Manager may also contact the Ethics Officer or the Ethics Hotline.

Managers are also expected to encourage the Employees they supervise to receive appropriate training and guidance on relevant safety policies, and to see that work areas are regularly monitored for unsafe conditions and practices and that timely action is taken to correct known unsafe conditions.

#### **E. Conflicts of Interest**

When conducting ABA business, Members, Employees and Contractors must be cognizant of conflicts of interest that may arise, especially those involving improper personal or financial gain, as described below.

##### **Improper Personal or Financial Gain: Described**

When conducting ABA business, Members, Employees and Contractors must not use their positions with the ABA for improper personal or financial gain.

Improper personal or financial gain is any gain that results from a decision that is not made in a good-faith belief that the decision is in the ABA's best interest. It includes any improper gain received by a Member, Employee or Contractor, or by anyone in a family or close personal or financial relationship with that Member, Employee or Contractor.

Family relationships include spouses, children, parents, siblings, in-laws and domestic partners, and close personal relationships include dating or live-in relationships. Close personal and/or financial relationships include long-term friendships and those with law or business partners or others. However, a Member will not be considered to have a close personal or financial relationship with those for whom a Member's law firm provides legal services, if the Member does not participate in decisions concerning those services.

Financial relationships also include any substantial direct or indirect interest in a business, such as ownership interest in a publicly owned company of 5% or greater, or any other interest in a closely held company or venture valued at \$15,000 or greater. It also includes any interest sufficient to result in the ability to participate in a business's management decisions, which may be as an officer, director, trustee or employee, or through provision of services to the business as a legal counsel or consultant.

Further, when conducting ABA business, Members should not supervise, directly or indirectly, anyone with whom they have a family or financial relationship, if the supervision could result in improper personal or financial gain. Employees may not supervise, directly or indirectly, anyone with whom they have a family or financial relationship.

While Contractors will necessarily make decisions based on their own and/or their company's financial interests, those decisions will not raise conflict of interest issues if they are made in good-faith fulfillment of the applicable contractual obligations. If Contractors make

recommendations as to the use of third parties with which they have a family or close personal or financial relationship, however, any such recommendations must be made in a good-faith belief that the recommendation is in the ABA's best interest.

### **Recusals, Disclosures and Waivers**

As soon as Members, Employees or Contractors become aware that a family or business relationship, as those terms are described above, is present in a matter under consideration as ABA business, they must disclose the relationship to the ABA Ethics Officer, who shall determine whether recusal from the decision-making process is required, or whether a waiver is appropriate under the circumstances. In the alternative, the Member, Employee or Contractor may voluntarily recuse him/herself and take no further part in the decision-making process, in which case no disclosure is required.

Members, Employees and Contractors must recuse themselves and must not participate in making, or attempt to influence, an ABA business decision that could result in improper personal or financial gain, as those terms are described, above.

### **Prohibition of Receipt of Fees**

Members, Employees and Contractors are prohibited from personally receiving payment for services they render to a third party if they render those services on behalf of the ABA or any of its entities, unless the payment is permitted by written contract with the ABA or by a resolution of the Board of Governors.

In addition, Members may not receive a fee for services rendered as a contractor to the ABA or any of its entities while they serve on the Board of Governors or on the governing body of a section or other ABA entity, regardless of whether the services are related to the duties arising from their positions, except by resolution of the Board of Governors. This does not apply to a Member's law firm, as long as it does not result in improper personal or financial gain to the Member or law firm, as that term is described above.

### **Outside Employment (For Employees)**

ABA Employees may engage in employment outside the Association; however, outside employment that conflicts with the Employee's work performance and other obligations to the ABA is prohibited. Employees must disclose existing or proposed outside employment to their supervisors and obtain the supervisor's written approval. If approved, the Employee must advise the supervisor of any change in employment or in the employer's relationship to the ABA that may impact the prior approval. Supervisors must consult with the ABA Ethics Officer if they are uncertain whether the employment satisfies these requirements.

## **F. Gifts, Favors and Entertainment**

### **Definition of Gift**

A "Gift" is generally intended as a sincere expression of friendship and appreciation based on a personal relationship that has developed in the normal conduct of ABA business. As used in the BCS, a "Gift" is any item (except compensation) that is accepted, solicited or offered

for the personal benefit of a Member, Employee or Contractor in connection with ABA business. A "Gift" may be cash, including cash equivalents such as gift certificates, checks, or other items that may readily be converted to cash. A "Gift" may also be food, meals, unusual discounts, merchandise or services received or purchased at a lower-than-normal price and any favors, benefits, advantages or loans. A "Gift" includes complimentary entertainment (such as sporting events and dinners) and accommodations from third parties. A "Gift" also includes mementos that are purchased with funds from the ABA or any of its entities, and that are given in appreciation for service to the ABA or its entities. However, such mementos are not considered "Gifts" if no ABA or entity funds are used in their purchase.

As used in the BCS, "Gift" does not include hotel accommodations, meals, entertainment or amenities received in connection with ABA-approved site inspections, or as an integral part of an ABA contract related to a meeting or other event, or that are otherwise received through the ABA in connection with an ABA-sanctioned activity. "Gift" does not include items received from Contractors that are raffled at the employee holiday party. Finally, "Gift" does not include meals or entertainment that are of reasonable value, do not occur too frequently, and have in attendance both the giving and receiving party for the purpose of discussing business.

### **Accepting, Soliciting or Offering Gifts**

Members, Employees and Contractors are discouraged from accepting, soliciting or offering Gifts that are intended for the recipient's personal benefit in connection with, or in anticipation of, conducting business for or with the ABA. Members and Employees, however, are permitted to accept Gifts for their personal benefit that are under \$200 in value, or have an annual aggregate value of under \$200 from a source, unless the Gift would affect, or may be perceived to affect, the judgment and objectivity of the recipient, or where there is an intention to influence or reward a business decision or transaction.

### **Reporting of Gifts**

Members, Employees, or Contractors who are offered Gifts valued at more than \$200 must promptly notify the ABA Ethics Officer. The Ethics Officer will decide if the Gift can be accepted or should be returned with a letter explaining ABA policy. If the Gift is impractical to return, the Ethics Officer will determine whether the Gift may be used in a drawing as a form of employee recognition, may be shared with the entire department, or will be donated to a recognized charity.

If a Member, Employee or Contractor is offered a Gift of any amount by or on behalf of a vendor under consideration for ABA business, the Member, Employee or Contractor must report the offer to the Ethics Officer, who may require that the Member, Employee or Contractor recuse him/herself from the selection process, regardless of whether acceptance of the Gift was ultimately approved.

### **Sponsorships**

Provided that policies governing sponsorships are followed, Members, Employees and Contractors may offer, solicit and accept sponsorships from third parties for the benefit of the ABA and its entities, but Gifts may not be offered or received in connection with such solicitations for sponsorships.

## **G. Doing Business with Others**

The ABA requires that all relationships with third parties that provide services or goods to the ABA be developed in a fair, honest and ethical manner.

### **Purchasing Practices**

All purchasing decisions must be based on the best value received by the ABA. Obtaining competitive bids and otherwise adhering to all ABA policies (including conflicts of interest, which are discussed in Section E, above), verifying quality and service claims, and confirming the financial condition of the third party providing the goods or services are all important steps in making a good purchasing decision.

### **Sales and Marketing Practices**

The ABA requires that all sales, marketing and promotion materials be honest, accurate and non-deceptive. All such materials must follow ABA policy that prohibits endorsement of other organizations or their products or services. Any use of the ABA name or logo must receive written pre-approval prior to the dissemination of materials on which they appear. Violations of these standards erode consumer confidence, dilute the value of the ABA name and/or may expose the ABA to legal action.

## **H. ABA Assets**

### **Protecting ABA Assets**

The integrity of the assets of the ABA is a key to the Association's continued success. All ABA Members, Employees, and Contractors have a special responsibility to protect and safeguard the ABA's physical, financial, intellectual property and other assets to ensure their efficient use. Members, Employees and Contractors must not use these assets for purposes not related to Association business without proper written authorization. When it becomes necessary to utilize ABA's communications equipment and resources, including the Internet, for occasional and infrequent non-business use, good judgment should be used at all times.

### **Accuracy of ABA Records**

All ABA accounting reports, financial statements and other business records must materially conform to legal requirements and the ABA's system of internal controls. Members, Employees and Contractors must not permit false or intentionally misleading entries that hide or disguise the true nature of transactions to be made in the ABA's records. Dishonest and unethical reporting within the ABA, or to organizations or people outside the ABA, is strictly prohibited. The transfer of funds or assets in an undisclosed or unrecorded manner may only take place as expressly permitted by applicable law or regulation.

### **Intellectual Property**

The ABA works to identify, establish, protect and defend its rights in its intellectual property assets, including patents, trademarks, copyrights and other proprietary information. Members, Employees and Contractors are expected to safeguard these assets. Employees are

expected to identify and disclose any new works of authorship, technology advances and/or unique solutions to business problems that belong to the ABA, to enable the ABA to establish and protect its rights to such proprietary assets. The intellectual property assets of the ABA, as well as its name, logo, trademarks and service marks, may only be used for authorized Association business, except with the ABA's prior written approval.

In addition, the ABA respects the intellectual property rights of others, including rights belonging to its Members, Employees and Contractors. Members and Employees must consult with the General Counsel's Office and/or the ABA's Director, Copyrights and Contracts concerning necessary licenses and approvals prior to using intellectual property belonging to others.

## **I. Protecting Confidential Information**

Confidential information includes all non-public information that might be of use to competitors, or otherwise harmful to the ABA, its Members, Employees or Contractors, if disclosed. Examples of confidential information include, but are not limited to financial information, product or marketing plans, technical information and computer source codes, information about litigation, contracts and alliance agreements, and member information, including membership lists. Members, Employees or Contractors may only disclose ABA confidential information if disclosure is authorized in writing by the General Counsel's Office.

## **J. The Law**

### **Antitrust**

The purpose of antitrust laws is to preserve fair and open competition in our free market economy. The ABA works to fully comply with all antitrust and other competition laws. Members, Employees and Contractors or their agents may not enter directly or indirectly into any formal or informal agreement with competitors that fixes prices or allocates markets, eliminates competition, or otherwise unreasonably restrains trade unless an immunity exception has been granted by the competent governmental authority. It is the responsibility of any individual who has a question about potential antitrust implications of a discussion, decision or action to consult with the General Counsel's Office before such action takes place.

### **Foreign Corrupt Practices Act ("FCPA")**

The ABA complies with the FCPA, which relates to anyone directly or indirectly offering, promising to pay, or authorizing the payment of money or anything of value to foreign government officials, parties, or candidates if the payment could reasonably be construed as being intended to influence acts by such officials. The fact that bribery may be an accepted local practice in a country does not relieve Members, Employees and Contractors from complying with the FCPA. Any Members, Employee or Contractors faced with a situation that raises questions or doubts concerning compliance with the FCPA should immediately contact the Ethics Officer, the Ethics Hotline or the General Counsel's Office.

## **Political Contributions**

The ABA prohibits political contributions from ABA funds and resources to any political candidate or party, whether domestic or foreign. Members, Employees and Contractors are free to make private individual political contributions to the party or candidates of their choice. Any decision to do so must be completely voluntary.

## **K. Conclusion**

The Business Conduct Standards (“BCS”) set out ethical and legal responsibilities that all ABA Members, Employees, and Contractors are expected to consider when conducting ABA business. While it is not a comprehensive discussion of all situations that may arise, Members, Employees and Contractors are expected to apply the spirit and intent of the BCS, along with their professional skills, personal values and good judgment, to assist the ABA in maintaining the highest standards of legal and ethical compliance.