IN THE MATTER OF WILLIAM BEST, TRUSTEE, RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY STATE ETHICS COMMISSION

Commission Case No. 53-18

DECISION

BACKGROUND

Rutgers, The State University of New Jersey ("Rutgers") requests an exception to Executive Order 14 (Corzine 2006) ("EO 14") on behalf of William Best ("Best"), who serves as a member of the Rutgers Board of Trustees and has been selected to represent the Rutgers Board of Trustees on the Rutgers Board of Governors. Trustee Best is also employed by PNC Bank as a Senior Vice President, Northeast Market Manager for Community Development Banking.

EO 14 prohibits a member of a State college or university governing board from being employed by or deriving or receiving any compensation from a firm, association, or partnership that does business with the institution that the board member governs. The term "doing business with" is defined to mean "providing or receiving any goods or services or otherwise engaging in a transaction involving the exchange of anything of value." Pursuant to paragraph 5 of EO 14, however, the State Ethics Commission is authorized to grant exceptions from this prohibition if "in the judgment of the Executive Director, the entity that is doing business with the institution is doing so pursuant to a contract awarded in accordance with the competitive bidding laws applicable to that institution or the public interest requires an exception to be made."

APPLICATION

According to the information provided, Rutgers has the following business relationships with PNC Bank:

- 1. PNC Bank hosts ATM machines on Rutgers' campuses and pays annual revenue sharing to Rutgers for this service;
- 2. PNC Bank provides lockbox services on the Rutgers Biomedical Health Sciences campus for which Rutgers pays a fee;
- 3. Rutgers' Camden campus utilizes an emergency checking account with a small balance with PNC Bank; and

According to Rutgers, all of PNC Bank's business dealings with Rutgers identified above were awarded in accordance with the public bidding laws applicable to Rutgers. Furthermore, the decisions by Rutgers to utilize PNC Bank for these services were made before Trustee Best has been appointed to the Rutgers Board of Governors, and he was not involved in any business dealings between PNC Bank and Rutgers in either his position with PNC Bank or his position as a member of the Rutgers Board of Trustees.

In this situation, an EO 14 exception is appropriate because PNC Bank was selected to provide various banking services to Rutgers pursuant to processes that met the competitive bidding requirements applicable to Rutgers. Moreover, PNC Bank was selected to provide these services prior to Best's appointment to the Rutgers Board of Governors, so there is no risk that the selection of PNC Bank to provide these services was influenced by Best's position on the Rutgers Board of Governors. Granting the exception also serves the public interest because it will allow Rutgers to continue to do business with PNC Bank under circumstances where there is no discernible risk that PNC Bank received any improper favorable treatment from Rutgers due to Best's position on its Board of Governors.

DECISION

The Commission grants Best an exception to the provisions of EO 14. In his official State capacity, however, Best must recuse himself from any matters involving PNC Bank.

DECISION RENDERED BY THE STATE ETHICS COMMISSION ON THE 5th DAY OF DECEMBER 2018