

POLICY ON COMPLIANCE WITH THE FOREIGN CORUPT PRACTICES ACT (FCPA)

Policy Summary

Maintaining ethical standards is the responsibility of every member of the Pace community. Those ethical standards are embodied in the University's [Guiding Principles of Conduct](#) and other policies as well as federal, state and local laws. Pace University employees and representatives are expected to adhere to high standards of professional and ethical conduct in carrying out their duties. It is the policy of the University to comply with U.S. laws and regulations applicable to the University's overseas activities, including but not limited to negotiating and entering into contracts with foreign entities or individuals for activities in the U.S. or overseas. This Policy addresses laws related to Anti-Bribery.

The U.S. Foreign Corrupt Practices Act (FCPA) contains anti-bribery provisions that prohibit U.S. persons and organizations, or individuals or entities working on behalf of the University, from making an offer or payment of, or a promise to pay, anything of value to a foreign official for the purpose of obtaining or maintaining business or gaining an unfair advantage, or to violate their official duties.

Although this basic prohibition appears straightforward, the terms used in the FCPA have specific definitions that apply more broadly than this general statement suggests. Accordingly, this policy is intended to assist University community members with satisfying their FCPA obligations but does not replace or otherwise alter the principles and obligations set forth in the Guiding Principles of Conduct and other University policies.

Policy

The Foreign Corrupt Practices Act (FCPA) applies to U.S. citizens, residents and entities and to persons and entities acting on their behalf. The FCPA's anti-bribery provisions must be considered whenever a PACE faculty or staff member, division, department or other office, plans to engage in an activity with a foreign government official, foreign political party or party official, or any candidate for foreign political office ("Foreign Officials"). The FCPA will be implicated, for example, if PACE entertains Foreign Officials in the U.S. or overseas or if PACE offers or provides gifts or other business entertainment to Foreign Officials. Many countries and jurisdictions have their own anti-bribery laws, which may be more restrictive than the FCPA.

Under the FCPA, no University faculty, staff, agent, representative or subcontractor may pay or offer to pay, or give or offer to give, any money or thing of value to any employee, agent, or representative of a foreign government, or a public international organization, or any department, agency or instrumentality thereof, or any foreign political party or official thereof, or any candidate for foreign

official or political party position, directly or indirectly, for the purpose of influencing any such person in his or her official capacity or to secure an improper advantage or to obtain or retain business, or to violate his or her official duties. Note that gifts or offers/promises of payment or gifts to family members of Foreign Officials will also raise an FCPA concern.

The FCPA does not specifically define permissible and non-permissible gifts or payments, and it contains limited exceptions and defenses. In general, it is important to understand that:

- Giving a bribe to any of the above-listed foreign entities is clearly illegal;
- Mentioning or offering such a bribe is illegal, even if the bribe never gets paid;
- Prosecution is possible even if an employee is a citizen of another country and does not live in the U.S.
- There does need to be a conscious act. Innocent mistakes are not illegal under the FCPA. Gift giving, of the typical sort businesses engage in as a show of respect, is also not illegal if it is properly recorded and transparent.

University officers, trustees, faculty and staff should proceed carefully when considering entertaining or making gifts to Foreign Officials in the U.S. or overseas and ensure that any contracts with persons or entities overseas representing Pace include provisions obligating those persons or entities to refrain from making or offering any payments, gifts, or other actions prohibited by FCPA. University officers, trustees, faculty and staff should contact the Office of the General Counsel at (212) 346-1158 or the Chief Compliance Officer at (914) 923-2402 for guidance.

Key Definitions

"Bribery" means the direct or indirect (i.e., through a third party) (a) offering, giving, directing or promising to another person (including a Foreign Official's family member) anything of value with the intention to induce or reward a Foreign Official to (i) undertake an official act or decision, (ii) violate his or her official duties, (iii) use his or her influence to affect an act or decision of the government or (iv) give an improper advantage; or (b) engaging in (a) without the aforementioned intention to induce or reward, but which nonetheless could be interpreted as such an inducement or reward.

"Foreign Official" means any (a) employee, officer or agent of a foreign government, (b) political candidate of a foreign party, or (c) employee of a (i) foreign government owned or controlled commercial enterprise, university, research institution, health care facility, or instrumentality, (ii) 2 public international organization (e.g., United Nations, World Bank, World Health Organization), or (iii) foreign political party.

"University Community Member" means (a) faculty, other academic appointees, postdoctoral appointees, staff, and other employees of the University and its affiliates; (b) University students; (c) members of the Board of Trustees or Directors of the University and its affiliates; (d) consultants, vendors, contractors and third parties doing business with, or on behalf of, the University and its affiliates; and (e) volunteers associated with the University.

Due Diligence of Agents, Vendors and other Third Parties

When entering into a relationship with a third party that may interact with a Foreign Official on behalf of the University, University Community Members should complete sufficient due diligence to confirm that the retained individual or organization does not have a history of corrupt payments and understands and agrees that they are not authorized to engage in bribery on the University's behalf. The level of due diligence required will vary depending on the level of risk involved in the underlying arrangement or transaction (e.g., whether the third party will be interacting directly with Foreign Officials on behalf of the University or whether the services will occur in a country that involves a high risk of corruption). University Community Members should ensure that the third parties described above do not have a history of violations of anti-bribery laws, provide them with a copy of this Policy, and regularly audit their activities to ensure ongoing compliance. Any agreements with these types of third parties should include provisions that they will comply with the FCPA and all other applicable local antibribery laws.

Risk Assessment and Mitigation

University community members must assess the risk of bribery in the international activities under their purview and take appropriate care to prevent and detect bribery and ensure compliance with University policies. Certain countries have a high incidence of corruption, and particular care should be taken when undertaking activities in or involving those countries.

Depending on the individual circumstances, appropriate steps may involve (i) additional training of employees and other third parties concerning this Policy, (ii) conducting appropriate due diligence before engaging third party vendors, agents or partners, (iii) ensuring that contracts contain antibribery and compliance with law provisions, and (iv) requesting guidance from the Office of the General Counsel before undertaking activities into a new geographic location.

Failure to take appropriate steps to prevent and detect bribery creates legal risk for the university and potential personal liability for the individuals involved.

Procurement and Record Keeping Requirements

University community members must comply with the university's procurement and record keeping requirements as well as its financial controls for cash and non-cash transactions.

Reporting Suspected Violations

University trustees and senior officers are required to report promptly to the Office of General Counsel or Chief Compliance Officer any known or suspected improper or wrongful business conduct including non-compliance with the provisions of the FCPA. Other employees are strongly encouraged to ask questions, seek guidance and/or report any known or suspected improper or wrongful business conduct to their supervisors or the Office of Human Resources.

Consequences of Violations- Violations of this policy may result in appropriate disciplinary action up to and including termination of employment or other relationships with the University. Conduct constituting a violation may also expose the University and University Community Members to criminal or civil penalties in the United States and abroad.

Non-Retaliation- The University prohibits retaliation against any person for making a good faith report or cooperating in an investigation in connection with this policy,

Reports of known or suspected violations of policies and/or laws can be made directly through standard management channels, or anonymously and confidentially through the university's whistleblower hotline, toll-free, at 1-800-821-2456.