

PREAMBLE

WHEREAS, fair and ethical practices are fundamental to the proper functioning of the International Union of Operating Engineers, AFL-CIO and its affiliated subordinate bodies (which entities are in this document referred to collectively as the “Union”); and

WHEREAS, proper representation of the members can only be maintained if all Union officers, representatives and employees observe the highest standards of ethical conduct; and

WHEREAS, the General President, General-Secretary-Treasurer, and the General Executive Board of the International Union are committed to maintaining the highest level of ethical conduct; and

WHEREAS, because a code of ethics designed to maintain those standards and to guide the future conduct of Union officers, representatives, and employees is deemed beneficial to the International, its affiliated subordinate bodies, and its membership, the General Executive Board approves this Code of Ethics (“Code”) and recommends its adoption by the 37th General Convention.

I. Introduction

A. This Code expresses the Union’s basic values and guiding principles and is designed to guide Union officers, representatives, and employees in their day-to-day decision-making and conduct. The Code supplements the obligations already imposed on the Union, its officers, representatives, and employees by federal and state law, by applicable regulations, by the International Constitution, and by Local Union bylaws.

B. The Code applies to the International, all Local Unions, all other subordinate bodies, to every employee, officer and agent thereof, and to every union trustee of any benefit fund.

C. The effective date of this Code, if approved by the 37th General Convention, is May 1, 2008.

II. Democratic Practices

The International Union of Operating Engineers' traditions, its Constitution, and federal law protect the democratic rights of Union members to participate fully, without fear, abuse, or intimidation, in the affairs of the Union. To that end, the following principles shall be honored and enforced.

A. Each member shall be entitled to a full share in union self-government. Each member shall have full freedom of speech and the right to participate in the affairs of the International and his or her Local Union. Subject to reasonable rules, regulations and qualifications, each member shall have the right to run for office, to nominate through duly established procedures, and to vote in free, fair and honest elections.

B. The Union shall ensure that its operations shall be conducted in a democratic and fair manner. Rules must be fairly and uniformly applied and disciplinary procedures shall be fair and afford due process to each member.

C. Local Union membership meetings and International Conventions shall be held regularly pursuant to the relevant provisions of the IUOE Constitution and Local Union bylaws, with proper notice of time and place, and shall be conducted in an atmosphere of fairness.

D. In a democratic union, as in a democratic society, every member has certain rights but the member also must accept certain corresponding obligations. Although each member has the right to criticize the officers, employees or agents of the Union, that right does not include the right to undermine the Union as an institution, to carry on activities with complete disregard of the rights of other members and the interests of the International Union or any of its subordinate bodies, to subvert the Union's goals in collective bargaining, or to advocate or engage in dual unionism.

III. Financial Practices

A. The assets and funds of a labor organization are held in trust for the benefit of the membership. The membership is entitled to assurance that those assets and funds are not dissipated and are spent for proper purposes. The membership is also entitled to be reasonably informed as to how those assets and funds are invested or used.

B. The Union shall conduct its proprietary functions, including all contracts

B. The Union shall conduct its proprietary functions, including all contracts for purchase or sale or for the provision of significant services, in accordance with the practice of well-managed institutions, including the securing of competitive bids for major contracts where appropriate.

C. The Union shall not permit any of its funds to be invested in a manner that results in the personal profit or advantage of any Union officer, employee or representative.

D. No Union officer, representative or employee shall convert any property belonging to the Union to the individual's personal advantage.

E. There shall be no contracts for purchase or sale or for rendering services that result in personal profit or advantage to any Union officer, representative or employee. No Union officer, representative or employee shall obtain improper personal profit or improper advantage from any action of any other Union officer, representative or employee.

F. The Union shall not make loans to its officers, representatives, or employees, or to their families, for the purpose of financing the private business of such persons.

IV. Benefit Funds

A. No Union trustee of a benefit fund shall receive fees or salaries of any kind from a fund established for the provision of health, welfare or retirement benefits, except for reimbursement for appropriate expenses to the extent provided for in the applicable trust agreement and as approved by the Board of Trustees of the particular benefit fund.

B. All Union officers, representatives, employees or any other persons acting as a Union agent who exercise responsibilities or influence in the administration of health, welfare and retirement programs or the placement of insurance contracts shall comply with applicable federal law and avoid any conduct which constitutes a breach of his or her duties to such benefit fund.

V. Business and Financial Activities of Officers and Agents.

A. Any person who represents the International Union or a subordinate

body, whether elected or appointed, has a sacred trust and a fiduciary duty to serve the best interests of the members and their families. Therefore, every officer, representative and employee must avoid any outside transaction which creates an actual or potential conflict of interest.

B. No Union officer, employee or representative shall have a personal financial interest which conflicts with his/her duties.

C. Except for stock purchase plans, profit sharing or retirement plans, no Union officer, representative or employee shall have any substantial interest in a business with which the Union bargains collectively.

D. No Union officer, representative, or employee shall accept “kick-backs”, under-the-table payments, valuable gifts, lavish entertainment or any personal payments of any kind, other than regular pay and benefits for work performed as an employee, from an employer whose employees are represented by the Union or whose employees the Union seeks to represent.

E. No Union officer, representative or employee shall accept any payments, gifts or favors from any member or prospective member in exchange for jobs or other special considerations that might give the member or prospective member special advantages, standing, or status within the Union.

F. The principles of this Code apply to those investments and activities of third parties that amount to a subterfuge to conceal the financial interests of Union officers, employees or representatives.

G. Because the mailing lists of a union are valuable assets, such lists are to be used only to promote the necessary legitimate functions of the Union and for no other purpose, and should not, under normal circumstances, be provided to an outsider for use in the promotion or sale of any goods or services that benefit an individual or private concern.

VI. Additional Prohibited Conduct

A. No Union officer, representative or employee, or Union trustee of any benefit fund, shall: (a) knowingly associate with any member or any associate of any organized crime or other illegal syndicate; (b) knowingly permit any member or associate of any illegal or organized crime syndicate to

control or have influence in the conduct of the affairs of the Union or related benefit fund; or (c) obstruct or interfere with the International Ethics Officer.

B. The term “knowingly associate” shall mean that: (a) an individual knew that the person with whom he or she was associating was a member or associate of an organized crime or other illegal syndicate; (b) the association related directly or indirectly to the affairs of the Union; and (c) the association was more than fleeting or casual.

VII. Ethics Officer

A. In July of 2007, the General Executive Board authorized the General President to appoint an Ethics Officer.

B. The General Executive Board, upon the recommendation of the General President and after consultation with the Ethics Officer, shall formulate such rules of procedure and establish such practices as are necessary to facilitate the proper functioning of this Code (“Operating Rules”).

C. The conditions concerning the duties, term of office and other matters concerning the Ethics Officer shall be set forth in the Operating Rules.

VIII. Conduct Not Covered

This Code of Ethics does not include or encompass grievances by members that arise under a collective bargaining agreement with an employer or to complaints concerning alleged violations of the International Constitution or Local Union bylaws unless such complaints involve an allegation of conduct that is prohibited under this Code.

IX. Amendments

This Code may be amended by the General Executive Board, in consultation with the Ethics Officer, provided that the amendment is reduced to writing and appropriate notice is given to the membership of the adoption of the amendment.

Adopted by action of the 37th General Convention April 29, 2008 pursuant to the adoption of Resolution No. 17.

Resolution No. 17

ETHICAL PRACTICES CODE

Presented by the General Executive Board

WHEREAS, ethical conduct in the operation and affairs of an institution is the hallmark of a well-run organization;

WHEREAS, the IUOE adopted the AFL-CIO's Codes of Ethical Practices in 1958;

WHEREAS, given the passage of time it is appropriate for the IUOE to review and update the Codes of Ethical Practices to assure that they are appropriate for our organization as it meets the challenges of a new era;

WHEREAS, the IUOE retained the Honorable James Zazzali, the retired chief justice of the New Jersey Supreme Court, to suggest revisions to the Code of Ethical Practices;

WHEREAS, Justice Zazzali is a man of impeccable reputation and vast experience; a union-side labor lawyer by profession, he also has strong law enforcement credentials, having served as the Chairman of the New Jersey State Commission of Investigation and the New Jersey Attorney General;

WHEREAS, the proposed Code of Ethical Practices as revised by Justice Zazzali has been reviewed and approved by the General Executive Board and is printed in full in the convention delegates' booklets.

NOW THEREFORE BE IT RESOLVED that the General Convention of the IUOE adopts the Code of Ethical Practices as revised.

BE IT FURTHER RESOLVED that the Code of Ethical Practices shall apply to the affairs of the IUOE and all its local and subordinate bodies.

BE IT FINALLY RESOLVED that where a local union already has in place an equivalent Code, such shall remain effective.