



THE ETHICS REVIEW

A JOINT COMMISSION ON PUBLIC ETHICS NEWSLETTER

STATE CODE OF ETHICS

While April may be the cruelest month, February (with its bone-chilling weather, ice storms, and all other manner of meteorological mischief) has certainly been no picnic. As we collectively hunker down and steel ourselves for more of that winter nip, JCOPE thought that now is a superb time to reflect on the State's Code of Ethics.

So, bundle up, take a seat by the crackling fire, and (with apologies to Shakespeare) let the warm words of the Public Officers Law melt the snow and keep eternal spring-time on thy face.

Before jumping into the Code of Ethics (which, for you legal types, is also known as Public Officers Law §74), it is important to remember that the law prohibits State employees from engaging in activities that create a real, *actual* conflict of interest with their State job **or** that give the impression or *appearance* that there is a conflict of interest.

With that in mind, below are the basic rules in the Code of Ethics.

Business and Financial Interests:

- A State employee cannot have any financial or other interests or engage in any business activities or outside employment that are in conflict with his State job responsibilities.
- A State employee cannot, as part of her State job, conduct business with an entity in which she has a direct or indirect financial interest that might conflict with her State responsibilities.

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- A State employee should not make personal investments in businesses which he has reason to believe may be involved in decisions made by him as part of his State job.

Confidential Information:

- A State employee cannot disclose or use for her personal benefit (such as an outside job) confidential information acquired through her State job.

Misuse of State Job:

- A State employee cannot use her State job or position to obtain unwarranted benefits for herself or others.

General Conduct:

- A State employee should not act in a way that gives others the impression that any person can improperly influence him in his State job.
- A State employee should always act in a way that will not raise suspicion that he is likely engaged in activity that violates the public trust.

Questions about these rules?

Contact JCOPE at jcope@jcope.ny.gov or 518-408-3976

Dear JCOPE

Question:

I review grant applications for my agency. While I don't have the final say, I do give my recommendations on what the agency should do. Recently, a company – let's call it ABC Corp. – applied for a grant from my agency. It is a great organization and has received grants from my agency before I became an employee. Here's my issue: I own a small amount of stock in ABC Corp., which is a big company whose stock is traded on Wall Street. What should I do?

Hoping for Enlightenment and a Little Peace

Answer:

Well, *HELP*, JCOPE can definitely offer you some enlightenment (alas, just on the Public Officers Law) and hopefully a bit of peace. First things first: Contact your agency's ethics officer. If you don't know who that is, ask a supervisor or get in touch with someone in the office of your agency's General Counsel (ethics officers are often lawyers). Your agency may have specific rules and procedures to follow.

Now, on to the Public Officers Law "enlightenment."

(Continued on next page)

Dear JCOPE (Continued)

You are certainly right to have a concern. Even though you do not make the final decisions on grants, you are in a position to influence your agency.

The fact that you own stock in ABC Corp. does not automatically mean that you have a conflict of interest. It all depends on the particulars, such as: whether the company is publicly-traded; how much stock you own; whether the stock is a large portion of your investments; whether you own individual shares of the stock or your ownership is through a mutual fund or similar investment vehicle; the nature of the company's State business that involves you; and the type of responsibility you have regarding the company's State business.

There is a lot to consider. Based on the information in your letter, it seems like you may *not* have a conflict of interest. But, to be certain, JCOPE would need some more information.

ENFORCEMENT ACTIONS HIGHLIGHTS

Failure to File FDS: The Commission entered into 17 settlements with State officers and employees from various State agencies and entities for failing to file required annual financial disclosure statements with fines ranging from \$200 to \$600. Pursuant to Public Officers Law §73-a, State officers and employees deemed to be policy makers by their agency, or who make more than the job rate of SG-24 (\$90,020 in 2014), are required to file financial disclosure statements each year, as are the statewide elected officials, members and employees of the Legislature, candidates for State office and certain political party chairs. Under the law, individuals who are required to file annual disclosures, but fail to do so or file a deficient disclosure, are first notified of their failure to file or deficiency and granted an opportunity to amend the filing. Subsequent failure to file or to cure the deficiency can result in a formal notice of delinquency initiating an enforcement action by the Commission as in the actions above.

Prohibited Gifts: An employee of the State University of New York (SUNY) at Cortland admitted to violating State gift restrictions by accepting thousands of dollars in sports apparel, tickets, and cash tips in connection with his official duties as a State employee. The employee paid a fine of \$4,672, simultaneously settling disciplinary charges with SUNY as well as the investigation by the Commission. The fine represents the value of the improper gifts received between 2009 and 2013. As part of the settlement, the employee was also required to complete supplemental ethics training with the Commission.

Nepotism: A former Metro North assistant vice president admitted to violating the Public Officers Law prohibiting nepotism when she recommended and ultimately gave final approval to the hiring of her domestic partner in 2008. Under the settlement agreement with the Commission, the employee was fined \$3,500. Public Officers Law §73(14) prohibits State officials from participating in any decision to hire, promote, discipline or discharge a relative, including domestic partners, for any compensated position.

QUOTES OF THE QUARTER

Honesty is the first chapter in the book of wisdom.

Thomas Jefferson

Always do what is right. It will gratify half of mankind and astound the other.

Mark Twain

JCOPE ISSUES REPORT ON FINDINGS AND PROPOSED REFORMS

To read a copy of the report issued by JCOPE to the Governor and Legislature on its first three years, go to:

www.jcope.ny.gov/pubs/POL/pol.html

Then click on the "Report from the New York State Joint Commission on Public Ethics February 2015"

[*or click here*](#)

NEW YORK STATE JOINT COMMISSION ON PUBLIC ETHICS



540 Broadway
Albany, NY 12207

Phone: 518.408.3976

Website:

www.jcope.ny.gov
ReportMisconduct.ny.gov