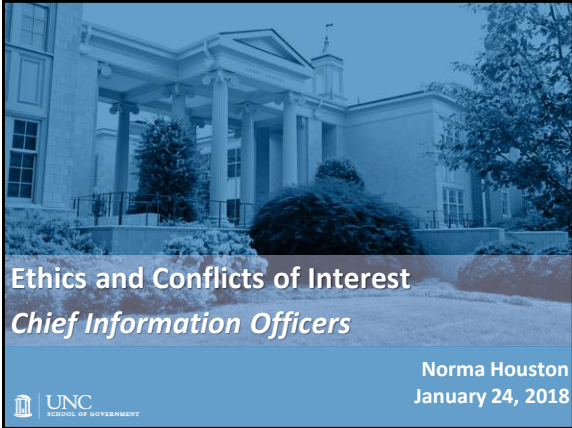
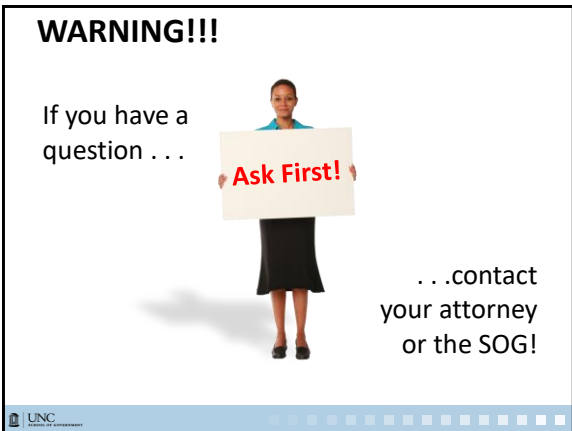
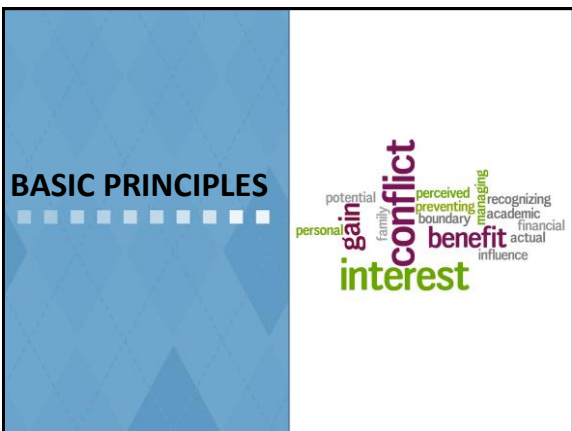








Ethics In Government



Whose **interests** do you serve?



Citizens want public officials who will promote the **public interest**



Not **their own** personal or financial interest

Ethics vs. Law

If people act *legally*
are they also acting *ethically*?



If you *can* do it,
does that mean you *should* do it?

Ethics vs. Law

Who decides when a public official has acted *unethically*?



Citizens

Ethics vs. Law

Who decides when a public official has acted *unethically*?



The press

Ethics vs. Law

Who decides when a public official has acted **unethically**?



The public official

Ethics vs. Law

Who decides when a public official has acted **unethically**?



Other public officials

Legal Requirements

Local Governing Board Members:

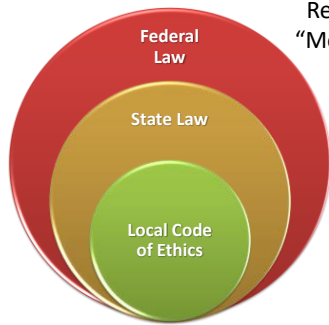
- Ethics Training
- Local Ethics Codes

All Public Officials & Employees:

- Self-benefiting prohibited
- Gifts and favors prohibited
- Misuse of confidential information prohibited
- Other criminal statutes



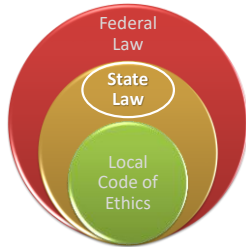
Sources of Legal Standards



Remember the
“Most Restrictive
Rule”



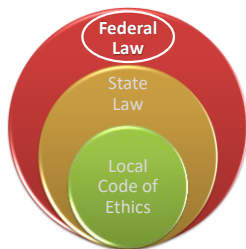
State Code Requirements



Cities, Counties, & School
Boards are required to
have local a codes of ethics

- **Must** apply to governing board members
- **May** apply to appointed boards and employees

Federal Code Requirements



Federal Uniform Rules –
Recipients and subrecipients
must have a written code of
conduct addressing:

- Real and apparent conflicts of interest
- Gifts and Favors
- Disciplinary actions for violations
- Violations may result in loss of federal funds

You Have A Choice



You have a **choice** about how to act; you should evaluate **legal** and **ethical** factors in deciding how to act

Deciding How to Act: Two Questions



WHAT IS A
CONFLICT OF
INTEREST?

WHAT DO YOU
THINK?



What is a Conflict of Interest?



When **personal** interests are in conflict with **public** interests

Brother's Business

Can you purchase laptops for your department from your brother's office supply store?



Surplus Property

Can you buy items that are sold at your unit's surplus property auction?



Board Member Contract

Can you contract with your board chair's spouse to provide consulting services for your department?



Free Lunch

Can an IT vendor who is not currently under contract with your unit take you to lunch?



Conference Reception

Can you eat and drink at a conference reception sponsored by a vendor under contract with your unit?



Happy Holidays

Can you enjoy the holiday basket goodies sent to your office by a vendor doing business with your department?



Training Seminar

Can you and your staff attend a week-long training seminar hosted by your unit's IT vendor that includes travel, lodging, meals, and entertainment?



Employee Appreciation

Can you ask a vendor under contract with your department to donate biscuits for an employee appreciation breakfast?



Neighbor Contractor

Can you tell your neighbor about a potential bidding opportunity with your department?



LEGAL REQUIREMENTS



Legal Requirements

- 1. Conflicts of Interest / Self Benefiting



Legal Requirements



2. Gifts & Favors

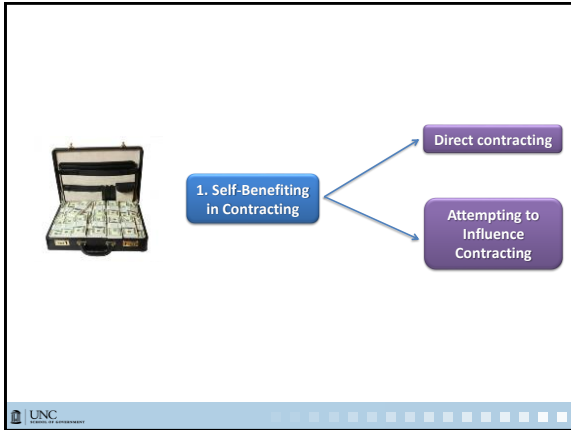
Legal Requirements



3. Insider Trading

SELF-BENEFITING IN PUBLIC CONTRACTING





Direct Contracting

G.S. 14-234(a)(1)

Making or
administering
a contract



If you're involved at any point in the contracting process, you're involved in "making or administering" the contract

The UNC logo is in the bottom left corner.

Direct Contracting

G.S. 14-234(a)(1)

Making or
administering
a contract

+

Direct benefit to
you or
your spouse



There's a **direct benefit** if you or your spouse:

1. Own more than 10% of the company,
2. Receive income or commission from the contract, or
3. Acquire property under the contract

The UNC logo is in the bottom left corner.

Direct Contracting

G.S. 14-234(a)(1)



***Unless an exception applies:** banks and utilities, friendly condemnation, spouse employment, public assistance programs, small jurisdictions

Direct Contracting Exceptions

1. Contracts with banks, savings and loans, public utilities
2. "Friendly" condemnation
3. Employment of the spouse of a public officer (**local elected & appointed officials only**)
4. Payment for public assistance programs
5. "Small" jurisdictions (**local elected & appointed officials only**)

Attempting to Influence Contracting

G.S. 14-234(a)(2)



Doesn't have to be a contract you make or administer!

No exceptions!

Brother's Business

Can you purchase laptops for your department from your brother's office supply store?



Surplus Property

Can you buy items that are sold at your unit's surplus property auction?

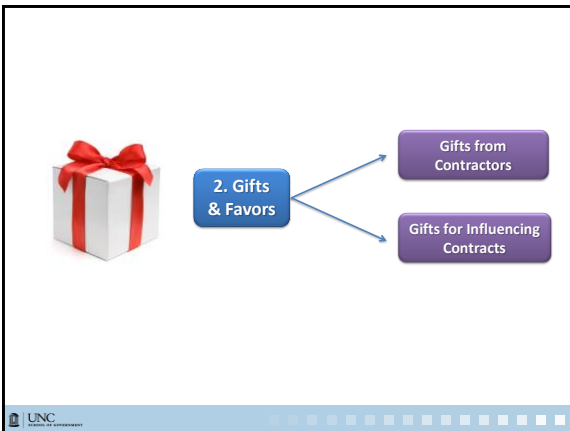


Board Member Contract

Can you contract with your board chair's spouse to provide consulting services for your department?







What is a Gift?



"Something voluntarily given by one person to another without compensation."
-Webster's Dictionary

UNC
University of North Carolina

Gifts and Favors from Contractors

G.S. 133-32



Prohibited Giver:

Contractor or vendor who is:

1. Past (within 1 year)
2. Current
3. Potential future



= Class 1 misdemeanor, unless an exception applies



Gifts and Favors from Contractors

G.S. 133-32



Prohibited Recipient:

Public officer or employer who:

1. Prepares plans or specifications for public contracts, or
2. Awards or administers public contracts, or
3. Inspects or supervises construction



= Class 1 misdemeanor, unless an exception applies



Gifts and Favors from Contractors

G.S. 133-32

Exceptions:

Honoraria Souvenirs Banquets Professional Organizations Family / Friends



Honoraria



Gifts and Favors from Contractors

G.S. 133-32

Exceptions:

Honoraria **Souvenirs** Banquets Professional Organizations Family / Friends



Souvenirs / advertising items of nominal value



Gifts and Favors from Contractors

G.S. 133-32

Exceptions:

Honoraria Souvenirs **Banquets** Professional Organizations Family / Friends



Meals at banquets



Gifts and Favors from Contractors

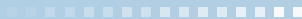
G.S. 133-32

Exceptions:

Honoraria Souvenirs Banquets **Professional Organizations** Family / Friends



Gifts to professional organizations



Gifts and Favors from Contractors

G.S. 133-32

Exceptions:

Honoraria Souvenirs Banquets Professional Organizations **Family / Friends**



Non-business customary gifts from friends or family (must be reported to agency head)



Gifts for Influencing Contracts

G.S. 14-234(a)(3)



Doesn't have to be a contract you or your spouse benefit from!

No exceptions!



Gift Ban Rule of Thumb

When In Doubt, Do Without!



Free Lunch

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Conference Reception

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INSIDER TRADING





3. Insider Trading



Insider Trading

Misuse of Confidential Information G.S. 14-234.1

Use non-public information gained in official position

+

Pecuniary benefit to you or someone else

=

Class 1 misdemeanor



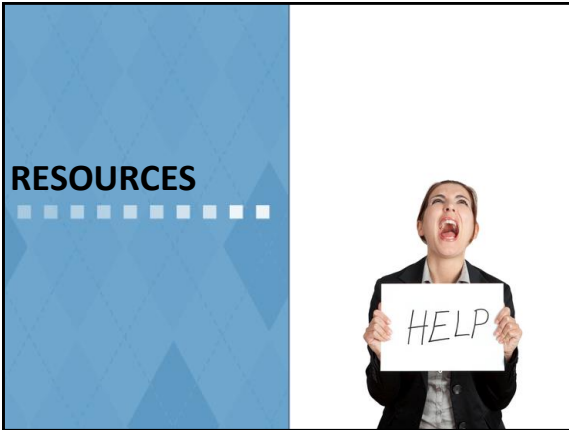


Neighbor Contractor

Can you tell your neighbor about a potential bidding opportunity with your department?











**Thanks for Being an
Ethical Public Servant!**



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919.843.8930
